

COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE, COMMITTEE ON BUSINESS AND
ECONOMIC DEVELOPMENT & COMMITTEE ON THE JUDICIARY
AND PUBLIC SAFETY
NOTICE OF A PUBLIC HEARING
1350 Pennsylvania Avenue, NW, Washington, DC 20004

CHAIRMAN PHIL MENDELSON
COMMITTEE OF THE WHOLE
&
COUNCILMEMBER KENYAN MCDUFFIE, CHAIR
COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
&
COUNCILMEMBER CHARLES ALLEN, CHAIR
COMMITTEE ON THE JUDICIARY AND PUBLIC SAFETY

ANNOUNCE A PUBLIC HEARING

on

Bill 24-113, Medical Cannabis Amendment Act of 2021
Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021

on

Friday, November 19, 2021, 9:00 a.m.
DC Council Website (www.dccouncil.us)
Council Channel 13 (Cable Television Providers)
Office of Cable Television Website (entertainment.dc.gov)

Council Chairman Phil Mendelson, Councilmember Kenyan McDuffie, and Councilmember Charles Allen announce a joint public hearing of the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety on **Bill 24-113**, the “Medical Cannabis Amendment Act of 2021,” and **Bill 24-118**, the “Comprehensive Cannabis Legalization and Regulation Act of 2021.” The hearing will be held on **Friday, November 19, 2021 at 9:00 a.m.** via Zoom videoconference.

The purpose of **Bill 24-113** is to allow qualifying medical cannabis patients to obtain medical cannabis and medical cannabis products from any dispensary in the District, to allow medical cannabis dispensaries to operate safe use treatment facilities and offer tastings, demonstrations or classes with proper endorsements, to allow dispensaries to deliver medical cannabis and medical cannabis products directly to qualifying patients, to allow all returning citizens to work at a medical cannabis business, to limit the crimes that would exclude someone from being an officer, owner or agent of a medical cannabis business to crimes involving gun violence or a gun offense, tax evasion, or fraud and credit card fraud occurring within the past three years, to eliminate the count on the number of plants a medical cannabis cultivation center may grow, to increase the number of permitted dispensaries from eight to 16 and increase the number of permitted dispensaries in each ward to two, and to exclude testing laboratory facilities when determining the cap on the number of cultivation centers in a ward.

The purpose of **Bill 24-118** is to establish a regulatory scheme to license and regulate the cultivation, production and retail sale of recreational cannabis in the District. The bill would establish an advisory committee to provide recommendations to the renamed Alcoholic Beverage and Cannabis Administration; set aside half of all new licenses for social equity applicants; establish a Cannabis Equity and Opportunity Fund to financially assist social equity applicants or provide technical assistance to these

applications; to establish a Community Reinvestment Program Fund to provide grants to community-based organizations working on economic development, mental health and substance use treatment, civil legal aid in areas with high levels of gun violence, unemployment, or child poverty; to create license categories, fees, and qualifications for the cultivation, production, and sale of recreational cannabis; to establish minimum operating standards for recreational cannabis businesses; to establish penalties for recreational cannabis businesses that violate the law, require robust public education on the law and cannabis use; to establish a 13% tax on the sale of recreational cannabis and recreational cannabis products; to prohibit discrimination against residents engaging in the lawful use of cannabis; to expunge cannabis-related arrests and convictions; and to explicitly allow District-licensed banks to conduct business with licensed cannabis businesses.

Those who wish to testify must register at <https://chairmanmendelson.com/testify/> by the close of business on **Wednesday, November 17, 2021. Testimony is limited to three minutes.** Witnesses who anticipate needing spoken language interpretation or require sign language must inform the Committee office of the need as soon as possible but no later than five business days before the proceeding. We will make every effort to fulfill timely requests, although alternatives may be offered. Requests received in less than five business days may not be fulfilled. If you have additional questions, please contact Destiny Riley, Committee Assistant, at (202) 724-8196.

The hearing will be conducted virtually utilizing Zoom videoconference technology. Because of this, written or transcribed testimony from the public is highly encouraged and will be taken by email or voicemail. Testimony may be submitted in writing to cow@dccouncil.us or may be left by voicemail (up to 3 minutes – which will be transcribed – by calling (202) 430-6948). Testimony received by close of business on November 17, 2021 will be posted publicly to <http://www.chairmanmendelson.com/testimony> prior to the hearing. If you are unable to testify at the hearing, written statements are encouraged and will be made a part of the official record. Written statements should be submitted to cow@dccouncil.us. The record will close on Friday, December 3, 2021.

**COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE, COMMITTEE ON BUSINESS AND
ECONOMIC DEVELOPMENT & COMMITTEE ON THE JUDICIARY
AND PUBLIC SAFETY
WITNESS LIST**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

**CHAIRMAN PHIL MENDELSON
COMMITTEE OF THE WHOLE
&
COUNCILMEMBER KENYAN MCDUFFIE, CHAIR
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PUBLIC WITNESSES

- | | | |
|-----|--------------------|---|
| 1. | Salim Adofo | Chair, ANC 8C |
| 2. | Mark Eckenwiler | Commissioner, ANC 6C |
| 3. | Otto Girr | Vice President of HR, Miller & Long Inc. (On behalf of ABC Metro Washington) |
| 4. | Meredith Kinner | D.C. Craft Cannabis Coalition |
| 5. | Adrian Salsgiver | Public Witness |
| 6. | Rabbi Jeffrey Kahn | Takoma Wellness Center, Inc. |
| 7. | David Julyan | Julyan & Julyan |
| 8. | Edward Weidenfeld | Co-Founder and Chairman of Phyto Cultivation LLC |
| 9. | Andras Kirschner | CEO of Phyto Cultivation LLC |
| 10. | Grace Hyde | COO of Phyto Cultivation LLC |

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| 11. | Nikolas Schiller | Co-Founder, D.C. Marijuana Justice |
| 12. | Kris Furnish | Maryland Marijuana Justice |
| 13. | Rachel Rammone Donlan | DC Marijuana Justice |
| 14. | Adam Eidinge | Co-Founder, D.C. Marijuana Justice |
| 15. | Manal Elhag | Adose Wellness |
| 16. | William Jones | Director of Community Engagement, Smart Approaches to Marijuana |
| 17. | Patrick Hynes | Chair, D.C. Libertarian Party |
| 18. | Andrew St. Cyr | Owner, DefCan |
| 19. | Alan Amsterdam | Capitol Hemp/Amsterdam Abracy |
| 20. | Richard Kennedy | Public Witness |
| 21. | Lisa Scott | D.C. Cannabis Business Association |
| 22. | Queen Adesuyi | Senior National Policy Manager, Drug Policy Alliance |
| 23. | Desley Brooks | Former Councilmember, Oakland, CA, District 6 |
| 24. | Doni Crawford | Senior Policy Analyst, D.C. Fiscal Policy Institute |
| 25. | Khadija Tribble | Founder, Marijuana Matters |
| 26. | Michael Johnson | D.C. Fiscal Policy Institute |
| 27. | Essie Austin Hollandsworth | Public Witness |
| 28. | Michael Krawitz | Veterans for Medical Cannabis Access |
| 29. | Gabi Hirezi | Public Witness |
| 30. | Amanda Krause | Manager, Triple D Creations LLC |
| 31. | DC Scroger | Blue and Yellow Studios |
| 32. | Lauren Berlekamp | Public Witness |
| 33. | Evelyn Smith-Cureton | Public Witness |
| 34. | Ebony Payne | Founder, District Herbs LLC |
| 35. | Jenna Fink | Public Witness |
| 36. | Antoinette Myers Perry | Public Witness |
| 37. | Sean Stephens | D.C. Marijuana Justice |

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| 38. | David Johnson | Public Witness |
| 39. | Sarah Kenney | President, Wash Hydro |
| 40. | Mark Nagib | Owner, Pink Fox |
| 41. | Shad Ewart | Professor, Anne Arundel Community College |
| 42. | Elizabeth Kelly | Public Witness |
| 43. | Ken Green | FYNE Time LLC |
| 44. | Gregory Kaufman | Eversheds Sutherland |
| 45. | Corey Barnette | Kinfolk Dispensary and District Growers |
| 46. | Jennifer Snowden | Founder and CEO, High Road Delivery |
| 47. | Anthony Bowlds | CEO, 4 Tech Media |
| 48. | Darren Bruade | Amsterdams Abracy LLC |
| 49. | Clare Henderson | Public Witness |
| 50. | Edward Dodge | Public Witness |
| 51. | Adam Bartley | Public Witness |
| 52. | Jocelyn Bogen | Public Witness |
| 53. | Charles Mitchell | Partner, Amsterdams Abracy LLC |
| 54. | Joe Tierney | Founder, Gentleman Toker |
| 55. | Jamila Hogan | CEO, The Green Life |
| 56. | Bryan Jackson | District Flora |
| 57. | Tyrone Hayward | Lyrical Clothing |
| 58. | Kimberly Perry | D.C. Action |
| 59. | Paul Zukerberg | Zukerberg & Halperin PLLC |
| 60. | Summer Krieghauser | Public Witness |
| 61. | Shara Gibson | Founder, Caniventures |
| 62. | Kevin Murray | Capsterdam University |
| 63. | Elena Sotnikova | CIO, Muldoon Hemp |
| 64. | Kevin Wrege | D.C. Chamber of Commerce |
| 65. | Courtney Davis | Executive Director, Marijuana Matters |
| 66. | Pamela Wexler | WexlerESQ LLC |

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| 67. | Caroline Phillips | Founder & Producer, National Cannabis Festival |
| 68. | Sebastian Medina-Tayac | Public Witness |
| 69. | Linda Greene | Owner/CEO of Anacostia Organics |
| 70. | Yvette Alexander | CEO, Y. Alexander & Associates |
| 71. | Rodney Davis | Principal, Most High Grade |
| 72. | Eric Spencer | Secretary, D.C. Caucus for Returning Citizens |
| 73. | John Pacella | Public Witness |
| 74. | Dawn Lee-Carty | Speak Life |
| 75. | Zoey Lee-Carty | Speak Life |
| 76. | Pete Muldoon | Farmer, Muldoon Hemp |
| 77. | Olivia Naugle | Legislative Analyst, Marijuana Policy Project |
| 78. | Ryan Ha | Hugs by Ha |
| 79. | Jennifer Salmeron | Public Witness |
| 80. | Bobby Mcleod | Home Grower Cannabis Group |
| 81. | Byron White | Independent Association of Ministers |
| 82. | Desiree E. | Public Witness |
| 83. | Catherine Heath | Public Witness |
| 84. | Robin Walker Salas | Wounded Warriors Behind Bars |
| 85. | Veronica Chapman | Public Witness |
| 86. | Tiffany Davidson | Moms Against Marijuana Addiction |
| 87. | Michael Liszewski | Principal, Enact Group |
| 88. | Hayden Gise | Public Witness |
| 89. | Darel Dawson | Peace in the Air |
| 90. | Peter Stinson | Manager, East Coast Amsterdam LLC |
| 91. | Ariadna Mondragon | Public Witness |
| 92. | Grace Reeder | I-71 Committee |
| 93. | Tim Slayton | Urban Aroma |
| 94. | Seema Sadanandan | Public Witness |

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| 95. | Kymone Freeman | We Act Radio |
| 96. | Donald Temple | Public Witness |
| 97. | Richard Gerald | Generational Equity |
| 98. | Mike Fizczko | Generational Equity |
| 99. | Abdul Muhammad | Generational Equity |
| 100. | Tori Reeder | Generational Equity |
| 101. | Mackenzie Manns | Generational Equity |
| 102. | Louise Perry | Generational Equity |
| 103. | Kimberly Johnson | Generational Equity |
| 104. | Isang Udokwere | Generational Equity |
| 105. | Lindsay Black | Generational Equity |
| 106. | Dominique Allen | Generational Equity |
| 107. | Moir Cyphers | Compass GR/Generational Equity |

GOVERNMENT WITNESSES

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| 1. | Aurelie Mathieu | Assistant Attorney General for Policy and Legislative Affairs, Office of the Attorney General |
| 2. | Fred Moosally | Director, Alcoholic Beverage Regulation Administration |

**Oral Testimony of
Advisory Neighborhood Commission 6C¹
before the Committee of the Whole,
the Committee on the Judiciary and Public Safety, and
the Committee on Business and Economic Development**

**Public Hearing on B24-118,
Comprehensive Cannabis Legalization
and Regulation Act of 2021**

November 19, 2021

Chairman Mendelson and Members of the Council,

ANC 6C generally supports Bill 24-118. It is time to legalize cannabis sales and bring orderly regulation to this retail market.

Regulation is crucial because current conditions are unsustainable. ANC 6C has one of the densest clusters of cannabis sales operations in the District. Within one block of 4th and H NE we have three existing marijuana sales storefronts; a fourth on the verge of opening; and at least one covert business.

This dense concentration has had numerous undesirable effects. Most importantly, the presence of a customer base has led to illegal open-air drug sales by opportunistic dealers. Residents have observed more instances of public urination, including by cannabis store employees. Some impacts are major, others more prosaic—but their totality has significant quality-of-life impacts and has led to constant resident complaints.

¹ On November 10, 2021, at a duly noticed and regularly scheduled monthly meeting, with a quorum of six out of six commissioners and the public present via online videoconference, this matter came before ANC 6C. The commissioners voted 6-0 to adopt the positions set forth in this testimony and to authorize Vice-Chair Mark Eckenwiler (6C04) to testify.

We therefore recommend a number of amendments to the bill. I don't have time to cover them all this morning and will instead discuss the main points:

- **Minimum distance between off-premises sales:** The bill prohibits licensed premises within 400' of a school or recreation center. § 25-2308 (p. 33, l. 780 *et seq.*). We recommend adding a separate provision requiring 400' spacing between off-premises sales outlets (*i.e.*, microbusinesses and off-premises licensees). Such a restriction would be similar to existing DC Code § 25-333 for liquor sales, but with fewer exceptions than that statute.
- **Prohibited zones:** The bill prohibits off-premises licenses in residential zones (R, RF, RA). § 25-2309 (p. 34, l. 788 *et seq.*). We recommend expanding this to include neighborhood mixed-use zones (NC).
 - If the Council feels that this is too restrictive, then at least extend the prohibition to the H St. NE housing sub-district, 2nd St. to 7th St., as defined at 11-H DCMR section 900.1(b). That portion of the H St. corridor lies entirely within ANC 6C.
- **Strengthened enforcement tools:** The bill would bring cannabis licensing under the control of ABRA and the ABC Board. We have great respect for those bodies, but question whether they by themselves are capable—even with substantially increased staffing—of adequately addressing illicit sales in a timely way. We therefore urge adoption of measures (as proposed in the Chairman's earlier draft legislation) to

- amend D.C. Code 47-2844 to authorize the revocation of licenses, sealing of premises, and fines for businesses acting in violation of District law, and
 - authorize civil penalties for the housing providers of illegal cannabis businesses.
-
- **Prohibit sidewalk obstructions and “hawking”:** The bill’s provision on operating standards, section 25-2701 (p. 39, l. 913 *et seq.*), should be amended to include a prohibition on “hawking” outside the premises, both on public and private space, as well as setting up tables, rope lines, or other furnishings in public space.
 - **No signage in public space:** The bill’s provision regulating signage, section 25-2711 (p. 44, l. 1020 *et seq.*), should likewise prohibit the placement of signage in public space.

* * *

Thank you for the opportunity to testify. I am happy to answer your questions, and ANC 6C looks forward to further engagement with the Council on this important and much-needed legislation.



Testimony of Otto Girr
Vice-President of Human Resources
Miller & Long, Inc.

before the

Committee of the Whole
Chairman Phil Mendelson

Committee of Judiciary & Public Safety
Councilmember Charles Allen (Ward 6), Chair

Committee on Business & Economic Development
Councilmember Kenyan McDuffie (Ward 5), Chair

Good afternoon Chairman Mendelson, Councilmember McDuffie, Councilmember Allen and members of the Council of the District of Columbia (the “Council”). My name is Otto Girr. I am the Vice President of Human Resources at Miller & Long, Inc., one of the nation’s oldest and largest cast-in-place concrete construction firms. I am testifying today on behalf of the Associated Builders and Contractors of Metro Washington (“ABC Metro Washington”) the preeminent voice for construction in the District of Columbia (the “District”) and surrounding region. Thank you for considering our testimony on Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021”.

While ABC Metro Washington is agnostic on the issue of legalizing cannabis for recreational use in the District, we are adamant that companies in safety-sensitive industries, such as construction, be permitted to enforce zero-tolerance policies for drug and alcohol use, including for cannabis. ABC Metro Washington is a member of the Construction Coalition for a Drug and Alcohol-free Workplace, which administers a world-class safety program. Contractors that participate in this program are more than 800% safer than the national industry average.

The ability of construction companies to maintain commonsense drug policies is a very serious matter for the protection of workers, businesses, and residents in the District. Accordingly, we respectfully ask the Council to take our concerns and recommendations seriously.

Construction is Critical to the District’s Economy

Before outlining our recommendations on Bill 24-118, it’s worth noting that the construction industry contributes more than **\$7 billion** to the District’s economy each year, as measured by its

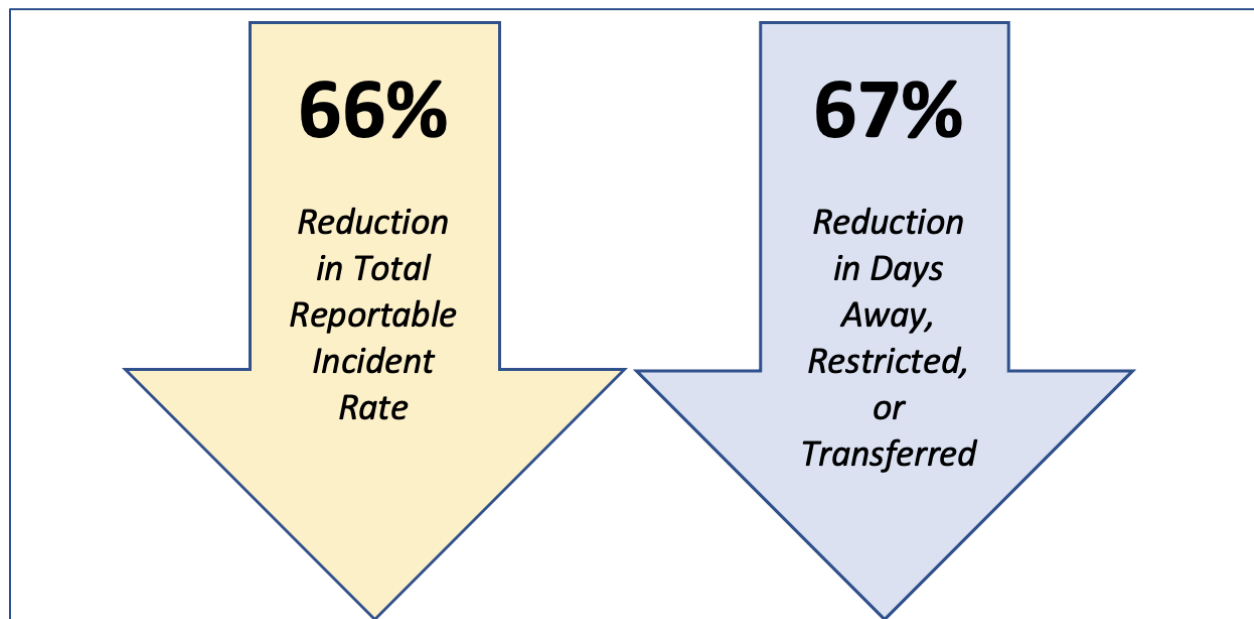
annual Gross Domestic Product (“GDP”).¹ That amounts to **nearly 5% of the District’s total GDP**. In other words, construction and the economic activity it spins off are responsible for \$1 of every \$20 spent in the District. In addition, approximately 8,500 District residents were employed in the construction industry in 2020, during the midst of the COVID-19 epidemic.² Simply put, construction is one of the District’s most important industries, providing economic investment, jobs, skills training, new affordable housing, and green infrastructure.

Worker Safety is Priority #1

Worker safety permeates every aspect of the construction industry. It is not hyperbole to say that safety is Priority #1 for every ABC Metro Washington member. When our employees come to work each day, they deserve to know that the person working next to them is not under the influence of drugs or alcohol. Permitting construction employers to enforce a drug and alcohol-free jobsite is essential to protecting workers. At its very core, it’s a pro-worker position.

Industry data show that one-third of all safety-related incidents on construction jobsites are drug- or alcohol-related. As a result, nearly all construction employers maintain drug and alcohol policies that include both pre- and post-hire testing. Studies show that companies with these policies see a 66% reduction in Total Recordable Incident Rates (“TRIR”), which measures the total number of OSHA reportable incidents, and a 67% reduction in days away, restricted or transferred (called “DART”) due to workers’ compensation injuries.

Figure 1. Construction companies that maintain drug and alcohol-free policies experience fewer safety-related incidents



¹ U.S. Bureau of Economic Analysis, GDP by State, <https://www.bea.gov/data/gdp/gdp-state>, Data obtained using Interactive table data tool. Data are for 2020.

² Current Population Survey (CPS) Outgoing Rotation Group (ORG) Earnings Files, 2020. Sample includes employed wage and salary workers, ages 16 and over. Found at <http://www.unionstats.com>

In addition to the potential toll of workplace accidents on human life, there are also significant economic consequences related to the failure to maintain safe construction jobsites. Construction companies are judged by potential customers, in part, by their Experience Modifier Rates (“EMR”) or the likelihood that it will experience workers’ compensation claims. EMRs are used when bidding new work, including work procured by the District Government. EMRs are also used to set insurance rates for construction companies. Thus, any new law or regulation that makes it harder to maintain a safe jobsite can penalize companies that do business in the District and drive up the cost of all projects. On public infrastructure, these costs are passed on to taxpayers in the form of more expensive public projects.

Drug and Alcohol Policies Save Lives in the Construction Industry

Before I continue, I would like to repeat that ABC Metro Washington has no position on the full legalization of cannabis in the District of Columbia. The employer provisions contained in Section 8 of Bill 24-118, however, are unworkable as proposed. As introduced, this section would prevent employers from refusing to hire or discharging any individual if they use cannabis or cannabis products during non-working hours or when not on-call.

The central problem with this prohibition is that it is not possible to test for inebriation from cannabis use like it is for alcohol. While an employee can enjoy alcohol legally on their personal time with real-time inebriation testing available for employers, there is currently no test that determines whether the presence of cannabis in an employee’s system is sufficient to cause impairment or not.

This renders the distinction between use during working or non-working hours irrelevant. It is simply impossible to know when the employee used cannabis and whether they are capable of safely performing their duties on the jobsite. Therefore, the only way to ensure all workers are protected is to impose a 100% prohibition on cannabis usage for both prospective and current employees. Denying employers this essential tool will lead to an increase in safety-related incidents on District worksites.

Recommendations for Bill 24-118

Therefore, we urge the Committee to amend Section 8 of the bill to exempt safety-sensitive industries from the prohibitions on employee testing, discharge, or from taking any other action consistent with responsible drug and alcohol policies. Fortunately, the elements of a possible solution to these issues are contained in Bill 24-109, the “Prohibition of Marijuana Testing Act of 2021”.

Bill 24-109 was introduced by six Councilmembers on February 25, 2021. The bill prohibits testing for the presence of tetrahydrocannabinols (“THC”), the active ingredient in cannabis, as a condition of employment. The bill, however, contains five exceptions to the testing prohibition, which include:

1. Police officers or special police officers, or any [sic] position with a law enforcement function;
2. Positions that require a commercial driver's license;
3. Construction jobs that require occupational safety training;
4. Positions requiring the supervision or care of children, medical patients, or vulnerable persons; or
5. Any position with the potential to significantly impact the health or safety of employees or members of the public, as determined by the Department of Human Resources.

The bill also contains exceptions for situations where federal regulations or other requirements mandate employee drug testing. The Committee should make clear, however, that the exemptions apply to both prospective *and* current employees, as well as to disciplinary and discharge decisions (i.e., not just hiring decisions).

In closing, I want to reiterate the seriousness with which construction companies take the issue of workplace safety, as well as underscore the potential ramifications of Bill 24-118, as introduced, on the right of construction workers to work in a safe environment. Thank you for thoughtfully considering ABC Metro Washington's testimony on Bill 24-118. I am available to answer any questions the Committee may have.

###



Testimony of Meredith Kinner

D.C. Craft Cannabis Coalition

Bill 24-118, Comprehensive Marijuana Legalization and Regulation Act of 2021

November 19, 2021

Committee of the Whole

Chairman Phil Mendelson

Committee of Judiciary & Public Safety

Councilmember Charles Allen (Ward 6), Chair

Committee on Business & Economic Development

Councilmember Kenyan McDuffie (Ward 5), Chair

Good morning Chairman Mendelson, Councilmembers McDuffie, Allen and Committee members. Thank you for the opportunity to testify today. My name is Meredith Kinner. My business partner John McGowan and I, opened the D.C.-based law firm Kinner & McGowan in 2015. We established Kinner & McGowan shortly after Initiative-71 went into effect, and have witnessed the proliferation of D.C.'s unregulated cannabis market. In April 2021, the Washingtonian Magazine named John and me as the most influential lawyers in the D.C.-area cannabis business.¹

I am testifying today on behalf of the D.C. Craft Cannabis Coalition, of which our firm is a member. The coalition is made up of industry stakeholders that operate in the District's cannabis market. Our mission is to ensure that in taking the long overdue step to legalize the sale of cannabis in the District of Columbia, the Council and Mayor take deliberate steps to ensure the city's regulatory system for cannabis is rooted in fairness, quality, clarity, and impartiality. Our advocacy is primarily focused on ensuring that small businesses are able to compete on an equal playing

¹ Byck, Daniella. "These are the Most Influential People in the DC-Area Weed Business," Washingtonian. April 20, 2021.

field in a regulated adult-use market and that the government does not exhibit undeserved favoritism towards any one group, such as existing medical marijuana licensees.

As a coalition, we are thrilled that the District stands on the precipice of a historic vote to legalize the sale of cannabis for adult recreational use. With the passage of Bill 24-118, the Comprehensive Cannabis Legalization and Regulation Act of 2021, the District will join 18 other states that have legalized and regulated the sale of recreational cannabis. As the Council fine tunes this monumental legislation, the D.C. Craft Cannabis Coalition has the following recommendations:

1. Regulate Adult-use Cannabis Like Alcohol

When the Council legalized medical marijuana just over a decade ago, it sought to regulate medical marijuana like a prescription drug. We believe that the regulatory system for recreational cannabis, however, should more closely resemble the system of regulating alcoholic beverages in the District. The District's regulatory structure for alcoholic beverages has been in place for decades, is well-understood by ABRA, and has safeguards to prevent market domination by any one player or small group of players. Under such a system for recreational cannabis, the Council and Mayor would set clear criteria for licensure and grant licenses to businesses that meet these objective criteria.

One of the most important steps the Council and Mayor can take to provide greater equity and local participation in the regulated cannabis market is to establish a regulatory system that closely resembles the existing regulatory system for alcohol. To that end, the Committee Print for Bill 24-118 should:

- **Require the Board to issue licenses to all applicants that meet the requirements for licensure established in the Act.**

In approving Bill 24-118, the Council and Mayor should ensure that license requirements are clearly articulated in the law and regulations. Once clear and objective criteria for licensure are established, applicants that meet these criteria should be awarded a license. In other words we are advocating for a rolling license application process.

The Council and Mayor should steadfastly avoid creating a licensing system that resembles "Medical Marijuana Part 2" or a traditional government procurement, whereby businesses compete for a very limited number of licenses. As we have seen in other areas, this stifles competition and often shuts out opportunities for non-politically connected small and minority business owners. It can also lead to unnecessary subjectivity and is an open invitation to corruption in the process of granting cannabis licenses in a regulated market.

- **Avoid capping the total number of licenses or placing other arbitrary restrictions on them.**

The Council and Mayor should endeavor to avoid instituting arbitrary license caps or restrictions on the total number of cannabis businesses, which has been problematic in other jurisdictions, notably in Maryland’s medical cannabis market. When market access is controlled in this way, problems inevitably arise. Politically connected individuals, financiers, and multi-state cannabis operators are usually awarded licenses, which have an inflated value due to the artificial scarcity imposed by regulators. Systems like these – think taxi medallions – sometimes attract corruption. The introduced version of the bill avoids such caps and strikes a reasonable balance by granting ABCA the ability to temporarily cap licenses, but only through a public process with written analysis and opportunities for public input.

- **Create a tiered licensing system and prohibit licensees from holding multiple classes of licenses.**

In alcohol regulation, individuals are not permitted to hold multiple classes of licenses. For instance, a producer cannot hold a wholesaler or retailer licenses and vice-versa. This regulatory system – called the Three Tier System – has worked well for nearly 90 years because it promotes competition and prevents monopolistic relationships.

The Council would be wise to create a similar regulatory architecture for cannabis – a Four-Tiered System. This would require limiting license ownership to a single license class – cultivator, manufacturer, distributor, retailer, or microbusiness; which would prevent multi-state cannabis operators from becoming vertically integrated and saturating the market.

- **Limit ownership to two licensed cannabis establishments.**

While there should be no cap on the overall number of licenses awarded by the Board, there should be a limit of two licenses (both within the same class) per individual business. This will increase competition by preventing license stacking, whereby an individual, usually a well-resourced multi-state cannabis operator, garners outsized market share by buying up licenses.

2. Provide a Transition for Existing D.C. Cannabis Businesses

District cannabis businesses are among the biggest proponents of a fully regulated recreational cannabis market. Currently, these small businesses operate in what is colloquially referred to as the “gray market.” Despite this label, not all of these small businesses operate outside of the law. Many of the small businesses that gift cannabis are registered with DCRA, overwhelmingly minority owned, provide well-paying employment opportunities for District residents and pay taxes to the District like any other licensed business. Without exception, these businesses are excited for the introduction of clear rules and certainty to the District’s cannabis market.

It would be the height of unfairness, however, if these “gray market” businesses were made illegal overnight, as the introduced bill would do. Instead, we recommend providing a phaseout

or an offramp for “gray market” businesses. This can be accomplished simply by postponing making gifting and other commonly used gray market practices illegal until the final implementing regulations are adopted by the ABCA and the regulated market becomes operational. This is expected to occur no later than 180 days after the enactment of Bill 24-118. After this time, gray market practices will be explicitly illegal and every business involved in the production and sale of cannabis in the District will be required to hold a license from ABCA.

3. Remove the 1-year exclusivity for medical marijuana and social equity licenses

Both legalization bills pending before the Council– the Mayor’s bill and the Council bill – would establish recreational cannabis as a *separately* regulated market vis-à-vis the medical market. There is no legitimate reason then, to grant medical marijuana licensees a full year of exclusivity over other businesses at the starting line of the District’s recreational cannabis market as § 25-2402(a)(1) proposes. This head start is unfair to many potential small businesses, including black-owned businesses. It could have impacts that long outlive the year of Council-granted exclusivity by distorting the recreational market before it even forms. Many otherwise viable small businesses could find it impossible to gain the foothold they need to survive simply because the Council tipped the scales in favor of medical licensees at the outset.

There is no question that existing medical licensees are likely to also be licensed in the recreational market. They already have significant competitive advantages over other applicants and businesses. This Council should not make this situation even more unequal by granting medical licensee period of artificial exclusivity. Instead, all applicants should be treated equally by the District Government. The Committees should remove § 25-2402(a)(1) in the Committee Print of the bill. I would also note that at the end of this month, ABRA is expected to release applications for two medical cannabis cultivation licenses and one dispensary license; and later today this committee will hold a hearing on a bill introduced by the Mayor, which would create eight additional medical cannabis dispensary licenses.

4. Limit cultivation licenses to 2,500 mature adult plants

In order to support a truly local cannabis industry, the Council should limit cultivators to no more than 2,500 plants at any one time. This would ensure that cultivators are not able to get around the license limits by virtue of having access to real-estate to cultivate cannabis in such amounts that would overwhelm smaller cultivators and make the market less competitive. Additionally, multi-state cannabis operators will be deterred from entering a market with a low plant count.

5. Make small amendments to the Microbusiness license.

The Council should make small technical amendments to the microbusiness license. These include the following:

- Change the canopy limit of 1,500 square feet to a plant count of 500 mature adult plants. In addition to being easier for ABRA to enforce, it will provide consistency between the plant count limit recommended above for cultivator licenses.

- Permit microbusinesses to transfer cannabis to manufacturers (i.e., extractors, etc.) so long as the cannabis products are transferred back to the microbusiness for retail sale.

6. Require ABCA to create a third-party delivery license

As introduced, Bill 24-118 is unclear on the issue of third-party deliveries of cannabis and cannabis products. One section - § 25-2208. Delivery Endorsement – says that ABCA may issue rules providing for delivery endorsements by third-party “contractors” to cannabis microbusinesses and off-premises retailers. But another section - § 25-2721. Delivery of cannabis and cannabis products – says that “deliveries shall only be made by the holder of a microbusiness or off-premises retailer’s license.”

At a minimum, the Committee should reconcile these competing provisions. We urge the Committee, to require ABCA to create and oversee a robust third-party delivery system. Moreover, both cannabis microbusinesses and off-premises retailers should be required to utilize a licensed third-party delivery platform to deliver their cannabis products. This will provide additional opportunities for small businesses to participate in the cannabis marketplace. It will also lead to a safer system where delivery platforms are required to utilize best practices for the transport of cannabis and cannabis products.

Thank you for thoughtfully considering the D.C. Craft Cannabis Coalition’s testimony on Bill 24-118. I am available to answer any questions the Committee may have.

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REDLINED PROPOSED AMENDMENTS

A BILL

IN THE COUNCIL OF THE DISTRICT COLUMBIA

To amend Title 25 of the District of Columbia Official Code to establish the Alcoholic Beverage and Cannabis Board and the Alcoholic Beverage and Cannabis Administration; to establish that the Chairperson of the ABCA Board may also have demonstrated knowledge in the cannabis industry; to establish the Cannabis Regulation Division; to establish the Cannabis Advisory Committee; to define various terms for new chapters 21 through 30; to prohibit discrimination; to prohibit the sale of marijuana or marijuana products without a license; to prohibit exchanges of marijuana for purchasing another item; to provide the Board with the authority to issue marijuana licenses for 3 year periods; to create the Cannabis Equity and Opportunity Fund; to set aside a certain percentage of licenses for Social Equity Applicants; to establish grant and loan programs for Social Equity Applicants; to create requirement for the transfer of Social Equity Applicant licenses; to establish the Community Reinvestment Program and Board; to authorize the Board to create incentives for the production of medical marijuana and medical marijuana products; to create cultivation, manufacturer, microbusiness, off-premises retailer, and testing facility license categories; to create a research and development license category; to require laboratory agent registration with the ABCA; to require marijuana microbusinesses and off-premises retailers to obtain a delivery endorsement from the Board to deliver marijuana and marijuana products to District residents' homes; to create general qualifications for applicants; to require an applicant to have at least one or more directors, owners, or partners who are District residents that,

individually or collectively, own 60% or more of the licensed establishment; to establish general qualifications for proposed establishments; to clarify when the appropriateness standards apply to marijuana license applications; to prohibit a microbusiness or off-premises retailer from being located within 400 feet of schools or recreation centers or in a residential-use district; to require the Board to give notice to the public for 45 days of various marijuana license applications; to establish procedures for Board hearings and decisions; to establish licensing fees for marijuana license applications; to establish requirements for filing a protest; to provide an affected ANC great weight; to establish general operating and product testing requirements; to require posting of licenses; to establish hours of operation for marijuana licensees; to require licensees use a Board-approved seed-to-sale tracking system; to establish maximum permitted sale amounts for microbusinesses and off-premises retailers; to create packaging and labeling requirements for marijuana products; to restrict what can be displayed on signs or logos from marijuana licensees; to restrict the content and methods for advertising marijuana and marijuana products; to prohibit licensees from giving free samples, promotional giveaways, or mandating tie-in purchases for marijuana or marijuana product; to prohibit the sale of marijuana or marijuana products to minors; to prohibit minors from entering a licensed premises; to require the production of valid photo identification for entrance on to the premises or for the sale of marijuana or marijuana products; to require security plans and measures for licensed marijuana establishments; to require safekeeping by ABCA of licenses that are temporarily suspended; to provide enforcement authority to ABCA investigators, the Board, and MPD; to require the Board to establish a civil penalty fine schedule by rulemaking; to prohibit the sale of marijuana or marijuana products at licensed alcohol and tobacco establishments; to prohibit the sale of alcohol or tobacco infused marijuana products; to prohibit tampering with packages or containers; to make it unlawful to provide vaping devices to persons under 21 years of age; to make it unlawful to forge a marijuana license; to provide a penalty for violations where no specific penalty is provided; to prohibit purchase, possession, use or consumption by persons under the age of 21; to impose an excise tax on marijuana sold or transferred from cultivators to distributors, manufacturers, and retailers; to direct revenues to the General Fund; to expunge records for marijuana convictions and adjudications; to establish the authority for financial institutions to transact business with licensees; to create a portal to ensure compliance of financial institutions; to exempt information related to the location of cannabis properties owned by a cannabis cultivator or manufacturer from FOIA disclosure; and to allow the transfer to another person 21 years or older marijuana weighing 'one ounce or less, or one clone, regardless of weight.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this

act may be cited as the "Comprehensive Cannabis Legalization and Regulation Act of 2021".

Sec. 2. Title 25 of the District of Columbia Official Code is amended as follows:

(a) The word "ABRA" is replaced with the word "ABCA" wherever it appears in this Title.".

80 (b) Chapter 1 is amended as follows:

81 (1) Section 25-101 is amended as follows:

82 (A) Subsection (1) is amended to read as follows:

83 “(1) “ABCA” means the Alcoholic Beverage and Cannabis
84 Administration established by § 25-202.”.

85 (B) Subsection (11) is amended to read as follows:

86 “(11) “Board” means the Alcoholic Beverage and Cannabis Board
87 established by § 25-201.

88 (c) Chapter 2 is amended as follows:

89 (1) The title of § 25-201 is amended to read as follows:

90 “§ 25-201. Establishment of the Alcoholic Beverage and Cannabis
91 Board—appointment and responsibilities.”

92 (2) The first sentence of Section 25-201 is amended to read as follows:

93 “‘There is established an Alcoholic Beverage and Cannabis Board.’”.

94 (3) Section 25-206 is amended to read as follows:

95 (A) Subsection (f)(2) is amended to read as follows:

96 “(f)(2) The chairperson shall have a demonstrated knowledge of
97 the laws and regulations related to the sale and delivery of alcoholic beverages in the District and
98 shall also have demonstrated knowledge of the cannabis industry.”.

99 (A) Subsection (g) is amended to read as follows:

100 “(g) No members or employee of the Board, directly or indirectly,
101 individually, or as a member of a partnership, association, or limited liability company, or a
102 shareholder in a corporation, shall have any interest in selling, transporting, or storing alcoholic
103 beverages or marijuana products, or receive a commission or profit from any person licensed
104 under this title to sell alcoholic beverages or cannabis products; provided, that a Board member
105 or employee may purchase, transport, or keep in his or her possession an alcoholic beverage or

106 marijuana product for his or her personal use or the use of the members of his or her family or
107 guests.”.

108 (4) A new section 25-213 is added to read as follows:

109 “Sec. 25-213. Cannabis Regulation Division; Chief of Cannabis
110 Regulation.

111 “(a) There is established a Cannabis Regulation Division
112 (“Division”) within the Alcoholic Beverage and Cannabis Administration, which shall have as its
113 head a Chief of Cannabis Regulation.

114 “(b)(1) The Division shall be responsible for the administration of
115 this act and any laws and regulations under the Legalization of Marijuana for Medical Treatment
116 Initiative of 1999, effective February 25, 2010 (D.C. Law 13-315, D.C. Official Code § 7-
117 1671.01 et seq.).

118 “(c) The Chief of Cannabis Regulation shall be appointed by, and
119 report directly to, the Director of the Alcohol and Cannabis Control Administration.

120 “(c) The Chief of Cannabis Regulation shall:

121 “(1) Be a resident of the District within 6 months of the
122 commencement of his or her term of office;

123 “(2) Possess skills and expertise relevant to the regulation
124 of cannabis.”.

125 (5) A new section 25-214 is added to read as follows:

126 “Sec. 25-214. Marijuana Advisory Committee.

127 “(a) The Mayor shall appoint a Marijuana Advisory Committee to
128 study and make recommendations to the Board on the regulation and taxation of marijuana in the
129 District.

130 “(b) The Committee shall consist of the following members:

131 “(1) The Director of ABCA, who shall serve as the
132 Committee Chair;

133 “(2) The Commissioner of DISB or his or her designee;

134 “(3) The Attorney General of the District of Columbia or
135 his or her designee;

136 “(4) The Chief Financial Officer or his or her designee;

137 “(5) The Director of the Public Defender Service for the
138 District of Columbia or his or her designee;

139 “(6) The Director of the Department of Health or his or her
140 designee;

141 “(6) A person with expertise in marijuana cultivation;

142 “(7) A person with expertise in marijuana product
143 manufacturing;

144 “(8) A person with experience selling licensed marijuana or
145 marijuana products;

146 “(9) A person with expertise in criminal justice reform;

147 “(10) Two persons from Disproportionately Impacted
148 Areas as defined in D.C. Code § 25-2101;

149 “(11) A person with expertise in economic development;

150 “(12) A person with expertise in racial and economic
151 justice; and
152 “(13) A person who is a current qualified patient under the
153 District’s medical marijuana program.”.
154 “(c)(1) Members of the Committee identified in (b)(5) through
155 (b)(11) of this subsection shall serve for terms of 3 years.
156 “(2) A member shall disclose any conflicts of interest and
157 recuse him or herself from the discussion or consideration of any recommendations where a
158 conflict of interest exists.
159 “(d)(1) The Committee shall advise on the preparation of
160 regulations and consider all matters submitted to it by the Board.
161 “(2) Where the Board rejects recommendations from the
162 Committee, it must provide the Committee a justification for the rejection.
163 “(e) The Chair may establish subcommittees in order to expedite
164 the work of the Committee.”.
165 (6) A new section 25-215 is added to read as follows:
166 “Sec. 25-215. Cannabis license data portal.
167 “ABCA shall establish a public portal that includes information on
168 the following:
169 “(a) The number of licenses available, pending approval, and
170 awarded in each license category, including Social Equity Applicants;
171 “(b) The demographic characteristics of licensees;

172 “(c) License numbers and other relevant information on licensed
173 marijuana establishments in the District;
174 “(d) Monthly production and sales activity; and
175 “(e) Monthly enforcement and compliance data, including the
176 number and type(s) of violations and the number and type(s) of enforcement visits;
177 “(f) The location of Disproportionately Impacted Areas in the
178 District; and
179 “(g) Annual data on the distribution of grant, equity or loans as
180 described in D.C. Official Code § 25-2107.”.

181 (d) A new Chapter 21 is added to read as follows:

182 CHAPTER 21. GENERAL PROVISIONS, SOCIAL EQUITY, COMMUNITY
183 REINVESTMENT, AND MEDICAL MARIJUANA INCENTIVES.

184 “25-2101. Definitions

185 For purposes of chapters 21 through 29 of this title, the following terms shall apply:

186 “(1) “Adult” means a person who is 21 years of age or older.

187 “(2) “Cannabidiol” or “CBD” means a non-psychoactive cannabinoid found in
188 the plant Cannabis sativa L. or Cannabis indica or any other preparation thereof that is
189 essentially free from plant material and has a tetrahydrocannabinol level of no more than
190 3%.

191 “(3) “Cannabinoid” means any of the chemical compounds that are the active principles
192 of marijuana.

193 “(4) “Cannabis” means marijuana.

194 “(5) “Child-resistant” means special packaging that is:

195 “(A) Designed or constructed to be significantly difficult for children under five
196 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R.
197 1700.15 (1995) and 16 C.F.R. 1700.20 (1995). Note that this Rule does not include any later
198 amendments or editions to the Code of Federal Regulations;

199 “(B) Opaque so that the packaging does not allow the product to be seen without
200 opening the packaging material; and

201 “(C) Resealable for any product intended for more than a single-use or containing
202 multiple servings.

203 “(6) “Disproportionately Impacted Area” means a census tract or comparable geographic
204 area that satisfies the following criteria as determined by the Cannabis Regulation Division of the
205 Alcoholic Beverage and Cannabis Administration:

206 “(A) Meets at least one of the following criteria:

207 “(i) The area has a poverty rate of at least 15%; or

208 “(ii) The share of households in the area that receive public assistance
209 income as defined by the Census Bureau is at least 4%; or

210 “(iii) The area has an average unemployment rate, as determined by the
211 Department of Employment Services, that is more than 120% of the national unemployment
212 average as determined by the United States Department of Labor, for a period of at least 2
213 consecutive calendar years preceding the date of the application; and

214 “(B) Has or had high rates of arrest, conviction, and incarceration related to the
215 sale, possession, use, cultivation, manufacture, or transport of cannabis.

216 “(7) “DFS” means the Department of Forensic Sciences.

217 “(8) “DOH” means the Department of Health, also known as DC Health.

218 “(9) “Edible marijuana product” means any marijuana product for which the intended use
219 is oral consumption, including any type of food, drink, or pill.

220 “(10) “Electronic smoking device” shall have the same meaning as it is used in the
221 Electronic Cigarette Parity Amendment Act of 2016, effective February 18, 2017 (D.C. Law 21-
222 189; D.C. Official Code § 7-741.01(1)).

223 “(11) “FEMS” means the Fire and Emergency Medical Services Department.

224 “(12) “Finished marijuana” means usable marijuana, cannabis resin or
225 cannabis concentrate.

226 “(13) “Hemp” means a plant of the genus Cannabis and any part of the plant, whether
227 growing or not, containing a delta-9 tetrahydrocannabinol (THC) concentration of no more than
228 three-tenths of one percent (0.3%) on a dry weight basis.

229 “(14) “Laboratory agent” means an employee of an independent testing facility who
230 transports, possesses, or tests marijuana.

231 “(15) “Marijuana” means all parts of the plant from the genus Cannabis, whether growing
232 or not, with a THC concentration greater than 0.3% on a dry weight basis, the seeds thereof; the
233 resin extracted from any part of the plant; and every compound, manufacture, salt, derivative,
234 mixture, or preparation on the plant, its seeds or resin. The term does not include the mature
235 stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant,
236 any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks
237 (except the resin extracted therefrom) fiber, oil, cake, or the sterilized seed of the plant which is
238 incapable of germination.

239 “(16) “Marijuana concentrate” means a product derived from cannabis that is produced
240 by extracting cannabinoids from the plant through the use of propylene glycol, glycerin, butter,

241 middle chain triglyceride oils, olive oil or other typical cooking fats; water, ice, or dry ice; or
242 butane, propane, CO2, ethanol, or isopropanol.

243 “(17) “Marijuana establishment” means a marijuana cultivator, independent testing
244 laboratory, marijuana product manufacturer, marijuana retailer, or any other type of licensed
245 marijuana-related business.

246 “(18) “Marijuana tincture” means an alcoholic extract of cannabis commonly used in the
247 production of marijuana extracts.

248 (19) “Member of an impact family” means an individual who has a parent, legal
249 guardian, child, spouse, or dependent, or was a dependent of an individual who, prior to the
250 effective date of this Act, was arrested for, convicted of, or adjudicated delinquent for any
251 offense that is eligible for expungement under this Act.

252 “(20) “Minor” means a person who is 20 years of age or younger.

253 “(21) “MPD” means the Metropolitan Police Department.

254 “(22) “OAH” means the Office of Administrative Hearings.

255 “(23) “OTR” means the Office of Tax and Revenue.

256 “(24) “Qualified social equity applicant” means social equity applicant who has been
257 awarded a conditional license under this act to operate a cannabis business establishment.

258 “(25) “Research project” means a discrete scientific endeavor to answer a research
259 question or a set of research questions. A research project must include the description of a
260 defined protocol, clearly articulated goal(s), defined methods and outputs, and a defined start and
261 end date.

262 “(26) “Sale” or “sell” includes offering for sale, keeping for sale, cultivating or
263 manufacturing for sale, soliciting orders for sale, trafficking in, importing, exporting, bartering,

delivering for value or in any way other than by purely gratuitously transferring. Every delivery of cannabis or a cannabis product made other than purely gratuitously shall constitute a sale.

“(27) “Seed to sale tracking system” means an inventory control system used by ABCA and licensees under this title to track the cultivation, manufacturing, and sales of marijuana and marijuana products.

“(28) “Social equity applicant” means an applicant that is a resident of the District that meets one of the following criteria:

“(A) An applicant with at least 60% ownership and control by one or more individuals who have resided for at least 10 of the preceding 20 years in a Disproportionately Impacted Area; or

“(B) An applicant with at least 60% ownership and control by one or more individuals who have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act or are members of an impacted family.

“(29) “Straw ownership” is nominal ownership without the attendant benefits and risks of genuine ownership, where someone, often for a fee, allows themselves to be named on documents or purports in writing to be an owner, in whole or in part, to the government for the sake of satisfying a regulatory requirement. Straw ownership for the sake of satisfying a regulatory requirement is a species of fraud and may be used to submit a false claim.

“(30) “Sweat equity contributions” are non-monetary investments that founders, owners, and employees contribute to a business venture, through which they obtain shares of ownership as specified in a service agreement.

“(31) “THC” means tetrahydrocannabinol.”.

“§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.

287 “(a) No person shall sell cannabis or cannabis products in the District without
288 having first obtained an appropriate license as required by this title.

289 “(b) No cultivator or manufacturer located within the District shall offer marijuana or any
290 marijuana products for sale to, or solicit orders for the sale of marijuana or marijuana products
291 from, any person not licensed under this title.

292 “(c) This Act shall not be construed to regulate or include hemp plants and hemp
293 products as the Agriculture Improvement Act of 2018 legalized industrial hemp under
294 Federal law [Public Law No.: 115-334].

295 “(d) Effective upon the publication of final regulations pursuant to § 25-2401 of this Act, it shall be
unlawful to give marijuana or marijuana products for free to a person in exchange for their
purchasing another item or service, making a donation, engaging in advocacy, joining a club or
organization, or paying a cover charge for a party or event. Such a transaction shall constitute a
sale of marijuana and shall be unlawful without a license.”.

296 “§ 25-2103. Authority to grant licenses.

297 “(a) The Board ~~may~~ shall issue licenses to persons who meet the requirements set forth
298 in this title.

299 “(b) All marijuana licenses issued under this title shall be valid for a term of 3
300 years and may be renewed upon completion of the renewal procedures established by the
301 Board and payment of the required fees.

302 “(c) A license to sell cannabis or cannabis products can only be granted by the
303 Board upon completion of the application and review process as contained in this title.

304 “(d) A license for a marijuana establishment shall describe the location of where the
305 rights of the license are to be exercised.

306 “(e) The Board, in issuing licenses, may require that certain conditions be met if it
307 determines that the inclusion of conditions will be in the best interest of the locality, section, or
308 portion of the District where the licensed establishment is to be located. The Board, in setting the
309 conditions, shall state, in writing, the rationale for the determination.”.

310 “§ 25-2104. Social equity in the cannabis industry.

311 “(a) There is established a fund designated as the Cannabis Equity and Opportunity Fund
312 (“Fund”), which shall be separate from the General Fund of the District of Columbia. 30% of
313 monies obtained pursuant to D.C. Official Code § 25-3001 shall be deposited into the Fund
314 without regard to fiscal year limitation pursuant to an act of Congress, and used solely to pay the
315 costs of operating and maintaining the Fund and for the purposes stated in subsection (c) of this
316 section. All funds, interest, and other amounts deposited into the Fund shall not be transferred or
317 revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other
318 time but shall continually be available for the uses and purposes set forth in this section, subject
319 to authorization by Congress in an appropriations act.

320 “(b) The Mayor shall administer the monies deposited into the Fund.

321 “(c) The fund shall be used for the purposes of providing loans, equity, and grants as
322 outlined in D.C. Official Code § 25-2106, and for the following purposes:

323 “(1) To pay for outreach to attract and support Social Equity Applicants;

324 “(2) To conduct any study or research concerning the participation of people of
325 color, women, veterans, or people with disabilities in the cannabis industry, including, without
326 limitation, barriers to such individuals entering the industry as equity owners of marijuana
327 establishments;

328 “(3) To assist with job training and technical assistance for residents in
329 Disproportionately Impacted Areas.”.

330 “§ 25-2105. Social equity applicant set-asides.
331 “(a) To the extent that it would not unduly restrict the availability of cannabis licenses, the Board
332 shall endeavor to set aside at least half of all available licenses in each of the license categories in
333 D.C. Official Code §§ 25-2201, 25-2202, 25-2203, and 25-2204.

336 “(b) The Board may approve set-asides for Social Equity Applicants in other license
337 categories created by regulations.

338 “(c) Straw ownership for the sake of fulfilling the ownership requirements of Social
339 Equity Applicant licenses section is banned, both for the District resident(s) and the out of state
340 residents purporting to give the District resident(s) a 60% ownership share.

341 “§ 25-2106. Loans and grants to social equity applicants.

342 “(a) ABCA shall establish grant, equity, and loan programs for the purposes of providing
343 financial assistance, loans, grants, equity, and technical assistance to Social Equity Applicants.

344 “(b) ABCA has the power to:

345 “(1) Provide Cannabis Social Equity loans, equity, and grants from appropriations
346 from the Cannabis Equity and Opportunity Fund to assist Social Equity Applicants in gaining
347 entry to, and successfully operating in, the District's regulated cannabis marketplace;

348 “(2) Enter into agreements that set forth terms and conditions of the financial
349 assistance, accept funds or grants, and engage in cooperation with private entities to carry out the
350 purposes of this section;

351 “(3) Fix, determine, charge, and collect any premiums, fees, charges, costs, and
352 expenses, including application fees, commitment fees, program fees, financing charges, or
353 publication fees in connection with its activities under this section;

354 “(4) Provide staff, administration, and related support required to administer this
355 section;

356 “(5) Establish application, notification, contract, and other forms, procedures, or
357 rules deemed necessary and appropriate; and

358 “(6) Utilize vendors or contract work to carry out the purposes of this act.

359 “(c) Grants made under this section shall be awarded on a competitive and annual basis.

360 Grants made under this Section shall further and promote the goals of this act, including the
361 promotion of Social Equity Applicants, job training and workforce development, and technical
362 assistance to Social Equity Applicants.

363 “(d) Loans made under this section shall be in such principal amount and form and
364 contain such terms and provisions with respect to security, insurance, reporting, delinquency
365 charges, default remedies, and other matters as ABCA shall determine appropriate to protect the
366 public interest and to be consistent with the purposes of this section. The terms and provisions
367 may be less than required for similar loans not covered by this section.

368 “(e) Beginning January 1, 2023 and each year thereafter, ABCA shall annually report to
369 the Council on the outcomes and effectiveness of this section that shall include the following:

370 “(1) The number of persons or businesses receiving financial assistance under this
371 section;

372 “(2) The amount in financial assistance awarded in the aggregate, in addition to
373 the number of loans made that are outstanding and the number of grants awarded;

374 “(3) The location of the project engaged in by the person or business; and

375 “(4) If applicable, the number of new jobs and other forms of economic output
376 created as a result of financial assistance.

377 “(f) The Board shall include engagement with individuals with limited English
378 proficiency as part of its outreach provided or targeted to attract and support Social Equity
379 Applicants.”.

380 “§ 25-2107. Transfer of license awarded to a social equity applicant.

381 “(a) In the event a Social Equity Applicant seeks to transfer, sell, or grant a cannabis
382 business establishment license within 5 years after it was issued to a person or entity that does
383 not qualify as a Social Equity Applicant, the transfer agreement shall require the new license
384 holder to pay the Cannabis Equity and Opportunity Fund an amount equal to:

385 “(1) Any fees that were waived by the Board based on the applicant's status as a
386 Social Equity Applicant, if applicable;

387 “(2) Any outstanding amount owed by the Qualified Social Equity Applicant for a
388 loan through the Cannabis Equity and Opportunity Fund, if applicable; and

389 “(3) The full amount of any grants that the Qualified Social Equity Applicant
390 received from ABCA, if applicable.

391 “(b) In cases where a Social Equity Applicant seeks to transfer, sell, or grant a cannabis
392 business establishment license to a non-Social Equity Applicant, the Board shall consider
393 whether the transfer would undermine the set-aside thresholds established in D.C. Official Code
394 § 25-2106 when determining approval of said transfer.

395 “(c) Transfers of cannabis business establishment licenses awarded to a Social Equity
396 Applicant are subject to all other provisions of this Act, and rules regarding transfers.”.

397 “§ 25-2108. Community reinvestment program fund.

398 “(a) There is established a Community Reinvestment Program Fund (“Fund”) which shall
399 be separate from the General Fund of the District of Columbia. 50% of monies obtained pursuant

400 to D.C. Official Code § 25-3001 shall be deposited into the Fund without regard to fiscal year
401 limitation pursuant to an act of Congress, and used solely to pay the costs of operating and
402 maintaining the Fund and for the purposes stated in subsection (b) of this section. All funds,
403 interest, and other amounts deposited into the Fund shall not be transferred or revert to the
404 General Fund of the District of Columbia at the end of any fiscal year or at any other time but
405 shall continually be available for the uses and purposes set forth in this section, subject to
406 authorization by Congress in an appropriations act.

407 “(b) Monies from the Fund shall be used to provide grants to community-based
408 organizations that address economic development, mental health treatment, substance use
409 disorder treatment, non-law enforcement violence prevention services, homeless prevention
410 services, re-entry services, youth development, and civil legal aid in eligible program areas as
411 determined by ABCA in subsection (c).

412 “(c)(1) Within 180 days after the effective date of this act, ABCA and the Deputy Mayor
413 for Economic Development shall identify areas in the District that are eligible to participate in
414 the Community Reinvestment Program. Eligibility shall be determined by an analysis of data that
415 finds that the area is high need, underserved, disproportionately impacted by economic
416 disinvestment, and experiences high levels of gun violence, unemployment, or child poverty.

417 “(2) ABCA and the Deputy Mayor for Economic Development shall send to the
418 Council and make publicly available its analysis and identification of eligible areas in the
419 District. ABCA shall recalculate the eligibility data every 4 years.

420 “(d) There is established a Community Reinvestment Program Board (CRPB) that is
421 responsible for the selection of grantees eligible under subsections (b) and (c). The Board shall
422 be under the Deputy Mayor for Economic Development, who shall work in consultation with

423 ABCA. The CRPB shall be constituted within 180 days after the eligible areas have been
424 designated. Members shall be appointed by the Mayor, with the advice and consent of the
425 Council pursuant to section 2(a) of the Confirmation Act of 1978, effective March 3, 1979 (D.C.
426 Law 2-142; D.C. Official Code § 1-523.01(a)), and shall include:

427 “(1) Three members of community-based organizations that provide services such
428 as job placement and training, educational services, workforce development, and wealth-building
429 in marginalized communities.

430 “(2) Three persons who have been previously incarcerated in the District; and

431 “(3) Three persons from areas eligible for grant funding under the Community
432 Reinvestment Program.

433 “(e) The Board shall also include the following ex-officio members:

434 “(4) The Director of Department of Employment Services or his or her designee;

435 “(5) The Director of the Office of Neighborhood Safety and Engagement or his or
436 her designee; and

437 “(6) The Director of the Department of Health or his or her designee.

438 “(f) A non-ex-officio member shall disclose any conflicts of interest and recuse him or
439 herself from the discussion or consideration of any grant application or program recommendation
440 where a conflict of interest exists.

441 “(f) Within 12 months after the effective date of this Act, the CRPB shall:

442 “(1) Develop a process to solicit community input on the types of programs and
443 grant activities that should be a priority within eligible areas;

444 “(2) Develop a process to solicit applications from eligible areas;

445 “(3) Identify resources sufficient to support the full administration and evaluation
446 of the program, including building and sustaining core program capacity;

447 “(4) Review grant applications and proposed agreements and approve the
448 distribution of resources;

449 “(5) Develop a performance measurement system that focuses on positive
450 outcomes;

451 “(6) Develop a process to support ongoing monitoring and evaluation;

452 “(7) Deliver an annual report to the Mayor and the Council on the distribution of
453 grant funding, performance measurement outcomes, grantee activities, and any other information
454 deemed necessary.

455 (g) The Fund shall be subject to annual audits by the Office of the Chief Financial
456 Officer, which shall be submitted to Council no later than February 1 of each year. The audit
457 shall examine and determine compliance with all applicable laws, rules, and regulations. The
458 audit reports shall be submitted to the Council and the Mayor.”.

459 “§ 25-2109. Incentives for the production of medical marijuana products.

460 “The Board is authorized, through rulemaking, to develop and provide incentives for
461 licensees to produce an adequate supply of medical marijuana and medical marijuana products
462 for qualified patients. Incentives may include the lowering of application and license fees,
463 expedited application and license review, or other financial or non-financial incentives for
464 licensees who will dedicate a percentage of his or her marijuana cultivation, manufacturing, or
465 retail sale to the cultivation, manufacturing, or sale of medical marijuana or medical marijuana
466 products.”.

467 (e) A new Chapter 22 is added to read as follows:

CHAPTER 22. CLASSIFICATION OF LICENSES.

“§ 25-2201. Cultivation licenses.

“(a) A cultivation license shall authorize the licensee to grow and produce medicinal and/or recreational marijuana for sale and delivery at wholesale directly to manufacturers, testing facilities, and retailers.

“(b) The holder of a cultivation license shall not be permitted to sell or deliver cannabis or cannabis products directly to the consumer.

“(c) Cannabis or cannabis products shall not be consumed, smoked, applied, or vaped on the licensed premises.

“(d) The holder of a cultivation license shall provide the Board with the method of disposal used when a testing facility determines that pesticides, mold, or mildew exceed permitted levels or that the cannabis plants are otherwise not suitable for retail distribution.

~~“(e) The Board may create tiers or types of cultivation licenses that are based on square footage, plant count, or annual sales~~ The holder of a cultivation license shall be limited to growing a maximum of 2,500 mature adult marijuana plants at any one time.”.

“§ 25-2202. Manufacturer licenses.

“(a) A manufacturer's license shall authorize the licensee to process, package, and label medicinal and/or recreational marijuana and medicinal and/or recreational marijuana products for sale and delivery at wholesale directly to testing facilities and retailers.

“(b) The holder of a manufacturer's license shall not be permitted to sell or deliver any cannabis or cannabis products directly to the consumer.

“(c) Cannabis or cannabis products shall not be consumed, smoked, applied, or vaped on the licensed premises.”.

491 “§ 25-2203. Marijuana microbusiness licenses.

492 “(a)(1) A marijuana microbusiness license shall authorize the licensee to cultivate,
493 manufacture, and sell at retail medical and/or recreational marijuana and medical and/or
494 recreational marijuana products.

495 “(2) The holder of a microbusiness license shall be permitted to sell any cannabis
496 or cannabis products to off-premises retailers for sale.

497 “(b) A marijuana microbusiness shall not have a total canopy of more than 500 mature
adult plants ~~4,500 square feet~~ for the cultivation of medical and/or recreational marijuana.

498 “(c) The holder of a marijuana microbusiness license shall comply with all applicable
499 laws and regulations regarding cultivation, manufacturing, and sale of marijuana and marijuana
500 products.

501 “(d) Medical marijuana and medical marijuana products must be stored in a manner that
502 separates these products from recreational marijuana or recreational marijuana products.

503 “(e) Cannabis or cannabis products shall not be opened, or the contents consumed,
504 smoked, applied, or vaped, at licensed establishments.”.

“(f) A marijuana microbusiness may transport cannabis cultivated at the microbusiness to a
licensed manufacturer for extraction services provided the marijuana product produced by the
manufacture may only be sold for retail at the location of the marijuana microbusiness.”

505 “§ 25-2204. Off-Premises retailer’s licenses.

506 “(a)(1) An off-premises retailer’s license shall authorize the licensee to sell medical
507 and/or recreational marijuana, and medical and/or recreational marijuana products received from
508 a licensed cultivator, or manufacturer, at retail directly to qualifying patients and caregivers, or
509 customers.

510 “(2) In order to sell medical marijuana or medical marijuana products, an off-
511 premises retailer must:

512 “(A) Register in a form and manner specified by the Board; and

513 “(B) Store and display medical marijuana and medical marijuana products
514 in a manner that separates these products from recreational marijuana or recreational marijuana
515 products.

516 “(b) Cannabis or cannabis products shall not be opened, or the contents consumed,
517 smoked, applied, or vaped, at licensed establishments.

518 “(c) The holder of an off-premises retailer’s license shall not be permitted to sell any
519 cannabis or cannabis products to other licensees for resale.

520 “(d) The Board shall propose regulations creating new off-premises license categories,
521 fees, and permitted hours of sales and operation within 18 months of the effective date of the
522 Act. The Board shall consider, but not be limited to, examining whether and under what
523 conditions off-premises retail sales of marijuana and marijuana products should be permitted at
524 full-service grocery stores as defined under § 25-101(22A), farmer's markets, hotels, and events
525 in which the licensee has been approved for a one-day substantial change as defined by
526 regulation.”.

527 “§ 25-2205. On-premises retailer’s licenses.

528 “(a) The Board shall propose regulations creating new on-premises license categories,
529 fees, and permitted hours of sales and operation within 18 months of the effective date of the
530 Act. The Board shall consider, but not be limited to, safe use centers, creative arts venues, hotels,
531 social clubs, restaurants, and temporary events.

532 “(b) Notwithstanding any other District law, the Board shall consider whether the on-
533 premises consumption of edibles, vaping, or smoking cannabis should be permitted. In no event

534 shall the vaping or smoking of cannabis be permitted on outdoor public space, federally owned
535 land or buildings, or space owned or leased by the facility, at street level, or adjacent to the street
536 or sidewalk. As part of its review, the Board shall also consider whether hookah lounges offering
537 cannabis products should be permitted.

538 “(c) The Board shall consult with DOH and the FEMS in preparing regulations
539 pursuant to this section.”.

540 “§ 25-2206. Testing Facility licenses.

541 “(a) A testing facility license shall authorize the licensee to test medical and recreational
542 marijuana plants and medicinal and recreational manufactured products for contaminants and
543 potency.

544 “(b) The holder of a testing facility license shall be permitted to transport samples to and
545 from another licensee.

546 “(c)(1) The Board, in coordination with the DFS, shall establish certification and testing
547 protocols for the sampling, testing, and analysis of medical and recreational marijuana and
548 medical and recreational marijuana products.

549 “(2) Certification protocols shall include, at a minimum, an analysis of a testing
550 facility’s standard operating procedures and facilities and equipment.

551 “(d) DFS may obtain samples sufficient to perform tests and may conduct inspections of
552 licensees’ premises in order to effect the purposes of this title.”.

553 “§ 25-2206. Research and development facility licenses.

554 “(a) A research and development facility license shall authorize the licensee to cultivate
555 or possess medical marijuana and medical marijuana products for the use in research projects
556 only.

557 “(b) A licensed cultivation, manufacturer, or microbusiness may transfer medical
558 marijuana or medical marijuana products to a research and development facility for use in
559 research projects only.

560 “(c) At a minimum, Board approved regulations for research and development facilities
561 shall include a description of authorized research activities for research and development
562 facilities, establish thresholds for the number of medical cannabis plants that a research and
563 development facility may possess at any one time, define procedures for medicinal cultivators or
564 manufacturers to transfer medical marijuana and medical marijuana products to a research and
565 development facility, and establish minimum standards for research involving animal or human
566 subjects, with minimum standards for human subject research conforming to the Federal Policy
567 for the Protection of Human Subjects.”.

568 § 25-2207. Laboratory agent registration.

569 “(a) A laboratory agent volunteering or working at a licensed testing facility shall register
570 with the ABCA prior to starting work or volunteering.

571 “(b) The holder of a testing facility license may apply to ABCA for a registration card for
572 each affiliated laboratory agent by submitting at a minimum the name, address, and date of birth
573 of the laboratory agent.

574 “(c) The holder of a testing facility license shall notify ABCA within one business day if
575 a laboratory agent ceases to be associated with the laboratory, and the laboratory agent’s
576 registration card shall be immediately revoked by ABCA.

577 “(d) A registered laboratory agent shall not be subject to arrest, prosecution, civil
578 penalty, sanctions, or disqualifications under District law, and shall not be subject to seizure or
579 forfeiture of assets under District law for actions taken under the authority of a licensed testing

580 facility and consistent with applicable District laws, regulations, and issuances, including
581 possessing, processing, storing, transferring or testing marijuana within the District of Columbia,
582 provided the registered laboratory agent presents his or her registration card to MPD, any other
583 law enforcement official, or an ABCA investigator or DFS inspector who questions the
584 laboratory agent concerning their marijuana-related activities.

585 “(e) The fee for a laboratory agent registration card shall be determined by rulemaking by
586 the Board.

587 “§ 25-2208. Delivery ~~endorsement~~ license.

~~588 “(a) The holder of a marijuana microbusiness or off-premises retailer’s license shall
589 obtain a delivery endorsement from the Board to be eligible to deliver applicable cannabis or
590 cannabis products directly to District resident’s homes.~~

591 “~~(b)~~The Board ~~may~~ shall establish and issue rules providing for delivery license ~~endorsements~~ by
a contractor of a for delivery of cannabis and cannabis products by a

~~592 marijuana microbusiness or off-premises retailer; provided that the contractor is approved by the
593 Board, is not a for hire vehicle service, and does not use vehicles with markings relating to
594 cannabis.~~

595 “(c) There shall be no additional fee for a delivery endorsement.”.

596 (f) A new Chapter 23 is added to read as follows:

597 CHAPTER 23. LICENSEE AND ESTABLISHMENT QUALIFICATIONS.

598 “§ 25-2301. General qualifications for all applicants.

599 “(a)(1) Before issuing, transferring to a new owner, or renewing a license, the Board shall
600 determine that the applicant meets all of the following criteria:

601 “(A) The applicant is at least 21 years of age.

602 “(B) The applicant has not been convicted of an offense that is directly
603 related to the business for which a license is held or sought.

604 “(2) Pursuant to paragraph (a)(1) of this subsection, the Board shall determine
605 whether a conviction of an offense of an applicant or licensee is directly related to the business
606 for which a license is sought or held by considering the totality of the following factors:

607 “(A) Whether the elements of the offense are directly related, by clear and
608 convincing evidence to the specific duties and responsibilities of the business;

609 “(B) Any evidence produced by the applicant or licensee concerning their
610 rehabilitation and fitness, including:

611 “(i) Evidence as to whether the applicant, licensee, registrant,
612 person certified, or person permitted by this act to practice in the District has recidivated;

613 “(ii) Evidence demonstrating compliance with any terms and
614 conditions of probation, supervised release, or parole;

615 “(iii) The length of time that has elapsed since the offense was
616 committed;

617 “(iv) The age at which the offense was committed;

618 “(v) Any circumstances related to the offense, including mitigating
619 circumstances;

620 “(vi) Evidence of work history, particularly any training or work
621 experience related to the occupation; and

622 “(vii) Letters of reference.

623 “(b) A prior conviction for possession of, possession for sale, manufacture,
624 transportation, or cultivation of a controlled substance shall not be the sole ground for denial of a
625

626 license, provided that, this shall not apply to convictions for hiring, employing, or using a minor
627 in transporting, carrying, selling, giving away, preparing for sale, or peddling, any controlled
628 substance to a minor; or selling, offering to sell, furnishing, offering to furnish, administering, or
629 giving any controlled substance to a minor.

630 “(c) To determine whether an applicant or licensee meets the criteria in this section, the
631 Board may obtain criminal history records of criminal convictions maintained by the Federal
632 Bureau of Investigation and the Metropolitan Police Department. The Board shall:

633 “(1) Inform the applicant that a criminal background check will be conducted;

634 “(2) Obtain written approval from the applicant to conduct a criminal background
635 check;

636 “(3) Coordinate with the Metropolitan Police Department to obtain a set of
637 qualified fingerprints from the applicant; and

638 “(4) Obtain any additional identifying information from the applicant that is
639 required for the Metropolitan Police Department and the Federal Bureau of Investigation to
640 complete a criminal background check.”.

641 “25-2302. Restrictions on holding a conflict of interest.

642 “(a) ~~An applicant or licensee shall not hold more than 2 cultivation, manufacturer, or off-~~
643 ~~premises retailer’s licenses; provided, however, that a licensee may hold 2 off-premises retailer’s~~
644 ~~licenses, 2 cultivation licenses, and 2 manufacturer licenses.~~ No person shall be permitted to hold
an equity interest, direct or indirect, in more than 2 licensed cannabis establishments, provided that
both licensed cannabis establishments shall be of the same type or license classification.

645 “(b) No person holding an equity interest, direct or indirect, in a licensed cannabis
establishment in the District shall be permitted to also hold an equity interest, direct or indirect, in
another type or classification of licensed establishment in the District.

646 “(c) The business of a licensed cannabis establishment for which a license is sought shall not be conducted with money, equipment, furniture, fixtures, or property rented from, loaned from, given by, or sold for less than fair market value, upon a conditional sale agreement, or a chattel trust from another licensed cannabis establishment in the District, shareholder holding 25% or more of the common stock of, or equity interest in, another cannabis establishment in the District, officer of another cannabis establishment in the District, or partner or member of a partnership or limited liability company owning 25% or more of the equity interest in another cannabis establishment in the District.

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646647 “(d) Nothing in this section shall prohibit a cannabis wholesaler or other licensee under this title from obtaining, perfecting, or enforcing a security interest under Article 9 of Subtitle I of Title 28 in any personal property or fixtures of a cannabis retailer or other licensee, including inventory and accounts and other rights to payment.

647648 “(d) An applicant for a testing facility license shall not hold a direct or indirect interest in a cultivation, manufacturer, microbusiness, or off-premises retailer’s license.

649650 “(e) A marijuana microbusiness applicant or licensee shall not hold a direct or indirect interest in any other license type.

651652 “(d) Any licensed facility under this title may be licensed to grow, manufacture, or 652653 distribute marijuana under the federal Drug Enforcement Administration Controlled Substances 653654 Act registration to supply legitimate researchers in the United States. The ABCA-approved seed 654655 to sale tracking system shall be used for these plants, and participation in the federal research 655656 program shall be included in the application, annual registration, and license renewal 656657 documents.”.

657658 “§ 25-2303. Ownership by Residents and Local Hire requirements.

658659 “(a) Except for those owners of medical marijuana facilities licensed as of the effective

~~659~~~~660~~date of this Act, an applicant for a cultivation, manufacturer's, microbusiness, or off-premises
~~660~~~~661~~retailer's license shall have one or more District residents, which individually or collectively,
~~661~~~~662~~own at least 60% of the licensed establishment. Persons claiming to be District residents shall
~~662~~~~663~~submit adequate proof of District residency according to standards determined by ABCA and
~~663~~~~664~~affirm an intent and commitment to maintaining District residency during the period of
~~664~~~~665~~ownership of a licensed facility covered by the requirements of this subsection. Such person or
~~665~~~~666~~persons designated as District resident owners shall receive a return on investment and shall
~~666~~~~667~~incur obligations and risks on equal footing with all other owners in proportion to their
~~667~~~~668~~ownership shares.

~~668~~~~669~~_____(b) If the District resident owner(s) who submit proof of residency according to
~~669~~~~670~~subsection (a) is not a or the majority owner, those who do own such a majority stake,
~~670~~~~671~~individually or collectively, must affirm on the application, under penalty of perjury, that
~~671~~~~672~~the 60% owner(s) identified in subsection (a) has and will have all the proportional
~~672~~~~673~~benefits and obligations accorded to a 60% owner.

~~673~~~~674~~_____(c) Straw ownership for the sake of fulfilling the ownership requirements of this section
~~674~~~~675~~is banned, both for the District resident(s) and the out of state residents purporting to give the
~~675~~~~676~~District resident(s) a 60% ownership share in a licensee under this subsection.

~~676~~~~677~~_____(d) Any District resident owner designated as owning at least 60% of the applicant or
~~677~~~~678~~licensee's business may only satisfy a quarter of its required capital contribution and other indicia
~~678~~~~679~~and obligations of ownership under this subsection through "sweat equity" — time spent
~~679~~~~680~~providing services to the company in support of its District licensee pursuant to an agreement
~~680~~~~681~~describing:

~~681~~~~682~~_____(1) The scope of work that the District resident owner(s) will perform;

~~682~~~~683~~_____(2) The dollar amount that it will be compensated for its services, if any, in

~~683~~~~684~~ addition to the dollar amounts that will be credited to its capital contribution;

~~684~~~~685~~ _____ “(3) The date or time period when the District resident owner(s) will receive

~~685~~~~686~~ compensation and returns on its investment; and

~~686~~~~687~~ _____ “(4) An explanation of when the District resident owner(s) will receive their

~~687~~~~688~~ return or returns as compared to other owners.

~~688~~~~689~~ _____ “(e) Except for those owners of medical marijuana facilities licensed as of the effective

~~689~~~~690~~ date of this Act, a cultivation, manufacturer's, microbusiness or off-premises retailer's licensee

~~690~~~~691~~ shall have at least 60% of its licensed employees submit adequate proof of District residency

~~691~~~~692~~ according to standards determined by ABCA, and that proof shall affirm an intent and severe

~~692~~~~693~~ offenses and encompass occasional or inadvertent failure to comply with basic administrative

~~693~~~~694~~ procedures and protocols or minor changes to plans submitted in licensing documents that do not

~~694~~~~695~~ affect the health, safety, or welfare of the public, nor the integrity of the program established and

~~695~~~~696~~ regulated by this title.

~~696~~~~697~~ _____ “(f) The Board shall require annual certification of the owners' continued District

~~697~~~~698~~ residency and upon license renewals may require such proof as it deems necessary of ownership

~~698~~~~699~~ if such District residency was an element of the initial granting of a license or transfer of a

~~699~~~~700~~ license, and the Board shall revoke the license of any license holder that no longer maintains the

~~700~~~~701~~ 60% ownership by District residents requirement.

~~701~~~~702~~ _____ “(g) The Board shall require annual certification of compliance with the local hiring

~~702~~~~703~~ requirements. If a licensee covered by local hiring requirements falls below the 60% local hiring

~~703~~~~704~~ requirement and does not submit clear and convincing evidence that it has cured the deficit

~~704~~~~705~~ within 90 days, the Board shall revoke the licensee's license.”.

~~705~~~~706~~ _____ “(h) In addition to any fines imposed for violations or prosecutions, ABCA is authorized

~~706~~~~707~~to issue warnings, impose additional conditions on licensees, ban persons who have committed
~~707~~~~708~~violations from participating or purchasing cannabis or working in establishments licensed under
~~708~~~~709~~this act.

~~709~~~~710~~_____(i) The Board may develop and provide incentives to promote the hiring of District
~~710~~~~711~~residents who reside in Disproportionately Impacted Areas as defined in § 25-2101(6).

~~711~~~~712~~_____(j) Exceptions to local ownership and local hire requirements in subsections (a) and (e)
~~712~~~~713~~shall apply to license renewals as well as initial licenses.”.

~~713~~~~714~~_____“§ 25-2304. Qualification of establishments.

~~714~~~~715~~_____(a) No license shall be issued to an applicant unless he or she provides the Board with a
~~715~~~~716~~zoning determination letter, issued by DCRA, stating that the establishment to be licensed is
~~716~~~~717~~located within a zone that permits the establishment's operation.

~~717~~~~718~~_____(b) The applicant shall bear the burden of proving to the satisfaction of the Board
~~718~~~~719~~that the establishment for which the license is sought is appropriate for the locality, section, or
~~719~~~~720~~portion of the District where it is to be located; provided, that if proper notice has been given
~~720~~~~721~~under subchapter II of Chapter 4 of this title, and no objection to the appropriateness of the
~~721~~~~722~~establishment is filed with the Board, the establishment shall be presumed to be appropriate for
~~722~~~~723~~the locality, section, or portion of the District where it is located.”

~~723~~~~724~~_____(c) No license shall be issued to an applicant that holds an alcohol license or a license to
~~724~~~~725~~sell tobacco at the same location unless otherwise authorized by the Board.

~~725~~~~726~~_____“§ 25-2305. Appropriateness standard.

~~726~~~~727~~_____(a) To qualify for the issuance, renewal of a license, or transfer of a license, an applicant
~~727~~~~728~~for a cultivation, manufacturer, microbusiness, or off-premises retailer license shall be required
~~728~~~~729~~to satisfy the appropriateness standards set forth in D.C. Official Code § 25-313.

~~729~~~~730~~_____(b)(1) The Board shall also consider whether issuance of the license would create or

~~730~~731 contribute to an overconcentration of licensed establishments which is likely to affect adversely

~~731~~732 the locality, section, or portion in which the establishment is located.

~~732~~733 _____ “(2) The Board may also consider whether there is an under-concentration of

~~733~~734 licensed establishments in other localities, sections, or portions of the District to ensure a more

~~734~~735 equitable distribution of establishments.

~~735~~736 _____ “(c) No marijuana license shall be issued to an outlet, property, establishment or

~~736~~737 business that sells motor vehicle gasoline or has drive-through sales.”.

~~737~~738 _____ “25-2306. Transfer of licensed establishment to a new owner.

~~738~~739 _____ “(a) In determining the appropriateness of the transfer of a marijuana establishment to a

~~739~~740 new owner, the Board shall consider only the applicant’s qualifications as set forth in D.C.

~~740~~741 Official Code § 25-2301, and whether any sale defeats or impairs the social equity thresholds in

~~741~~742D.C. Official Code § 25-2106 or the local ownership goals embodied in D.C. Official Code § 25-

740 2303.

741 “(b) Notwithstanding subsection (a), the Board shall deny a transfer of ownership
742 application to a new owner and cancel the marijuana license if the previous applicant
743 either:

744 “(1) Failed to open for business within 180 days of being issued a marijuana
745 license or 365 days for a Social Equity Applicant;

746 “(2) Stopped operating within 90 days of being issued a marijuana license for
747 more than 14 calendar days in the absence of a showing of good cause and approval by ABCA
748 for a longer period of delay or closure. This subsection shall not apply to an applicant that has
749 stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or
750 due to rebuilding or reconstruction.

751 “(c) For the purposes of this section, the term "public health emergency" means a period
752 of time for which the Mayor has declared a public health emergency pursuant to D.C. Official
753 Code § 7-2304.01.”.

754 “§ 25-2307. Transfer of licensed establishment to a new location.

755 “(a) The Board shall consider an application to transfer a license to a new location
756 according to the same standards and procedures as an application for an initial license and
757 shall not presume appropriateness if a protest to the application is filed as set forth in Chapter 6.

758 “(b) An application to transfer a license to a new location shall not be permitted to be
759 filed by an applicant who:

760 “(1) Failed to open for business within 180 days of being issued a marijuana
761 license;

762 “(2) Stopped operating within 90 days of being issued a marijuana license for
763 more than 14 calendar days in the absence of a showing of good cause and approval by ABCA
764 for a longer period of delay or closure. This subsection shall not apply to an applicant that has
765 stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or
766 due to rebuilding or reconstruction.

767 “(c) For the purposes of this section, the term "public health emergency" means a period
768 of time for which the Mayor has declared a public health emergency pursuant to § 7-2304.01.

769 “§ 25-2308. Restrictions on proximity to schools and recreation centers.

770 “(a) The Board shall not issue, except as to entities licensed as of the effective date of this
771 act, a cultivation, manufacturer, microbusiness, or off-premises retailer’s license to any
772 establishment located within 400 feet of the proximity of a pre-existing public, private, or
773 parochial primary, elementary, or high, or the boundary of a recreation area operated by the
774 District of Columbia Department of Parks and Recreation.

775 “(b) This subsection shall not apply to an applicant that was approved by ABRA for a
776 medical marijuana license at the same location prior to the effective date of the act.”.

777 “§ 25-2309. Off-Premises retail license prohibited in residential-use districts.

778 ““No microbusiness or off-premises retailer’s license shall be issued for or transferred to a
779 business operating in a residential-use district as defined in the zoning regulations and shown in
780 the official atlases of the Zoning Commission for the District, including areas designated R, RF,
781 and RA.

782 “§ 25-2310. Restrictions on the total number of cannabis business licenses.

783 “(a) The Board may, through rulemaking, consider restrictions on the total number of
784 licenses issued under each license category in Chapter 22, provided that any such restriction shall
785 be:

786 “(1) Based on an analysis of the supply of legal cannabis and cannabis products
787 necessary to significantly shrink the scale of the illicit cannabis market, and available evidence
788 on the impacts of cannabis businesses on crime and property values; and

789 “(2) Subject to revision by the Board should developments in the legal cannabis
790 market and/or social conditions of the District necessitate such a revision.

791 “(b) Any analysis conducted pursuant to paragraph (a)(1) of this section shall be sent to
792 the Council and made publicly available for comment.

793 “(c) Any restriction on the total number of licenses shall not affect the percentage of
794 licenses set aside for Social Equity Applicants.”.

795 (g) A new Chapter 24 is added to read as follows:

796 CHAPTER 24. APPLICATION AND REVIEW PROCESS.

797 “§ 25-2401. Form of application.

798 “The Board shall propose regulations within 180 days of the effective date of the Act
799 setting forth the license application requirements on forms approved by the Board for marijuana
800 licenses.”.

801 “§ 25-2402. New license application for cultivators, manufacturers, microbusinesses, or
802 retailers.

803 ~~“(a)(1) The Board shall only consider and process applications from owners of currently~~
804 ~~licensed medical marijuana establishments and Social Equity Applicants in the year following~~

805 the issuance of final regulations and the establishment of an ABCA approved seed-to-sale
806 tracking system.

807 “(2) The Board may consider and process applications from owners of currently
808 licensed medical marijuana establishments on an expedited basis during this time.

809 “(b) The Board may begin accepting applications for other cultivation, manufacturer,
810 microbusiness and off-premises retailer’s licenses not in subparagraph (a) at any time after the
811 one-year period is over upon publication of final regulations setting forth the application
requirements and forms.

812 “(e) After the initial one-year period, any new Social Equity Applicant licenses shall be
813 considered on an expedited basis by the Board.

814 “(c) The Board shall provide notice in the D.C. Register at least 30 days in advance of
815 accepting any new applications, except for testing facility licenses, regarding (1) the number of
816 licenses in each class or ward being made available, and (2) where to find information regarding
817 the license application process accept applications at any time after the publication of the final
regulations. The board may only withhold the grant of a licensee to an applicant that meets the
requirements set forth by this Act and by the Board in regulations in accordance with § 25-
2103(e).

818 “(d) A license application for a testing facility may be made at any time after the effective
819 date of the act.”.

820 “§ 25-2403. License renewal.

821 “The Board shall propose regulations within 180 days of the effective date of this act
822 setting forth the license application requirements on forms approved by the Board for renewing
823 licenses.”.

824 “§ 25-2404. Notice by Board.

825 “Pursuant to D.C. Official Code §§ 25-421 and 25-423, the Board shall provide notice to
826 the public for 45 days of new and renewal license applications for cultivation, manufacturer,
827 microbusiness, and retailer’s licenses. The Board may approve settlement agreements that

828 include enforceable provisions listed in D.C. Official Code § 25-446.01 between parties eligible
829 to file a protest under Chapter 6 of this title regardless of whether a protest has been filed.”.

830 “§ 25-2405. Board hearings and decisions.

831 “Board hearings, determining factors, and decisions shall follow the procedures set forth
832 in Subchapters II and IV of Chapter 4 of this title. Board decisions shall be issued pursuant to
833 D.C. Official Code § 25-433.”.

834 (h) A new Chapter 25 is added to read as follows:

835 CHAPTER 25. APPLICATION AND LICENSE FEES.

836 “§ 25-2501. Application fee.

837 “(a) The initial application fee for a cultivation, manufacturing, microbusiness, off-
838 premises retailer, or testing facility, license shall be \$1,000.

839 “(b) The initial application fee shall be paid at the time of application to the D.C.
840 Treasurer.”.

841 “§ 25-2502. License fees.

842 “(a) The initial fees and renewal fees for licenses shall be set forth below:

| 843 | License Class | Cost |
|-----|-----------------------------------|------------------------------------|
| 844 | Cultivation | \$7,000 |
| 845 | Manufacturer | \$7,000 |
| 846 | Microbusiness | 50% of all applicable license fees |
| 847 | Off-premises retailer | \$7,000 |
| 848 | Testing facility | \$5,000 |
| 849 | Research and development facility | \$2,500 |

850 “(b) There shall be no additional fee for microbusiness or off-premises retailers that
851 register to sell medical marijuana or medical marijuana products pursuant to D.C. Official Code
852 § 25-220(a)(2).

853 “(c) A licensee’s failure to timely remit the license fee shall be cause for the Board to
854 suspend the license until the licensee pays the fee and any fines imposed by the Board for late
855 payment. The Board shall cancel the license if the licensee is more than 30 days delinquent on
856 payment of the annual fee.”.

857 “§ 25-2503. Alteration of application or license fees.

858 “The Board may propose regulations, pursuant to D.C. Official Code § 25-2202, to
859 alter the license fees established by this chapter or to create additional license categories.”.

860 “§ 25-2504. Fee waivers for social equity applicants.

861 “(a) For Social Equity Applicants, the Board shall waive 75% of any nonrefundable
862 license application fees, any nonrefundable fees associated with receiving a license to operate a
863 marijuana establishment, and any surety bond or other financial requirements.

864 “(b) The Board may require Social Equity Applicants to attest that they meet the
865 requirements for a fee waiver as provided in subsection (a).

866 “(c)(1) If the Board determines that an applicant who applied as a Social Equity
867 Applicant is not eligible for such status, the Board shall provide notice to the applicant.

868 “(2) Upon receipt of the notice, the applicant shall have 15 days to provide
869 alternative evidence that he or she qualifies as a Social Equity Applicant.

870 “(3) The Board shall make a determination of the applicant’s status 10 days after
871 the receipt of any alternative evidence. The Board shall notify the applicant of this determination.

872 “(d) If the applicant does not qualify as a Social Equity Applicant, he or she may pay the
873 remainder of the waived fee and be considered as a non-Social Equity Applicant. If he or she
874 cannot do this, then ABCA may keep the initial application fee to cover any administrative costs
875 associated with the application process, and the application shall not be considered.”.

(h) A new Chapter 26 is added to read as follows:

CHAPTER 26. PROTESTS.

“§ 25-2601. Standing to file a protest and protest requirements.

“A person with standing under D.C. Official Code § 25-601 shall be permitted to file a protest of a new, renewal, or transfer to new location application for a cultivation, manufacturer, microbusiness, or retailer’s license.”.

“§ 25-2602. Filing a protest—timing and requirements.

“(a) Any person objecting, under D.C. Official Code § 25-601, to the approval of an application shall notify the Board in writing of his or her intention to object and the grounds for the objection within the protest period.

“(b) If the Board has reason to believe that the applicant did not comply fully with the notice requirements set forth in subchapter II of Chapter 4, it shall extend the protest period as needed to ensure that the public has been given notice and has had adequate opportunity to respond.”.

“§ 25-2603. ANC Comments.

“(a) The Board shall give the recommendations of an affected ANC great weight pursuant to the requirements set forth in D.C. Official Code § 25-609.

“(b) In the event that an affected ANC submits a settlement agreement to the Board on a protested license application, the Board, upon its approval of the settlement agreement, shall dismiss any protest of a group of no fewer than 5 residents or property owners meeting the requirements of D.C. Official Code § 25-601(2). The Board shall not dismiss a protest filed by another affected ANC, a citizens association, or an abutting property owner meeting the

898 requirements of D.C. Official Code § 25-601(3) upon the Board’s approval of an ANC’s
899 settlement agreement submission.”.

900 (i) A new Chapter 27 is added to read as follows:

901 CHAPTER 27. OPERATING STANDARDS.

902 “§ 25-2701. General operating requirements.

903 “(a) A licensee shall be required to secure every entrance to the establishment so that
904 access to areas containing cannabis or cannabis products is restricted to the owner or approved
905 employees.

906 “(b) A licensee shall secure its inventory and equipment during and after hours to deter
907 and prevent theft of marijuana, marijuana products, and marijuana accessories.

908 “(c)(1) A licensee shall not cultivate, process, test, store, or manufacture marijuana or
909 marijuana products at any location other than at a physical address approved by the Board and
910 within an area that is enclosed and secured in a manner that prevents access by persons not
911 permitted by the marijuana establishment to access that area.

912 “(2) A licensee who has a cultivation and manufacturing license may co-locate
913 licenses in order to minimize the impacts associated with business operations. The Board shall
914 develop rules for the co-location of cultivation and manufacturing licenses.

915 “(d) A licensee shall not allow the cultivation, processing, manufacture, sale, or display
916 of cannabis or cannabis products to be visible from a public place without the use of binoculars,
917 aircraft, or other optical aids.

918 “(e) Investigators or officers from ABCA, DCRA, DFS, DOH, FEMS, and MPD
919 shall be permitted to inspect the entire licensed premises during its hours of operation and, if
920 within their office’s responsibilities, to obtain samples sufficient for testing pursuant to this title,

921 and an ABCA investigator or MPD officer shall be permitted to audit the books and records of
922 the licensed establishment during its hours of operation.

923 “(f) ABCA-licensed microbusinesses and off-premises retailers shall not admit any
924 person, other than a person hired to guard the premises pursuant to a security plan filed with the
925 ABCA, who is carrying a gun or other weapon.”.

926 “§ 25-2702. Testing requirements.

927 “(a) No cannabis or cannabis product shall be sold or otherwise marketed by a licensee
928 that has not first been tested by an independent testing facility licensed by the Board.

929 “(b) An independent testing facility shall report any results indicating contamination to
930 the Board and DOH within 72 hours of identification.

931 “(c) In the event that only one licensed testing facility exists in the District, the Board
932 may establish, through rulemaking, reasonable prices for testing facility services.”.

933 “§ 25-2703. Posting and carrying of licenses.

934 “(a) A person receiving a license to operate a marijuana establishment shall post the
935 license conspicuously in the licensed establishment. If a settlement agreement is a part of the
936 license, the license shall be marked “settlement agreement on file” by the Board, and the licensee
937 shall make a copy of the settlement agreement immediately accessible to any member of the
938 public, ABCA investigator, or MPD officer upon request.

939 “(b) A microbusiness or off-premises retailer’s licensee shall post window lettering in a
940 conspicuous place on the front window or front door of the licensed premises that contains the
941 correct name or names of the licensee and the class and number of the license in plain and legible
942 lettering not less than one inch nor more than 1.25 inches in height.

943 “§ 25-2704. Hours of operation for cultivation and manufacturers.

944 “The sale or delivery of cannabis or cannabis products by a marijuana cultivator or
945 manufacturer shall only be permitted only between the hours of 6:00 a.m. and midnight, seven
946 days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.”.

947 “§ 25-2705. Hours of operation for retail sales.

948 “(a) A licensee authorized to sell marijuana or marijuana products at retail to consumers
949 shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and
950 midnight, seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-
951 2706.

952 “(b) A licensee under a microbusiness or off-premises retailer's license that possesses a
953 delivery endorsement shall also be permitted to deliver cannabis or cannabis products to the
954 homes of District residents between the hours of 7 a.m. and midnight, 7 days a week.”.

955 “§ 25-2706. Board authorized to further restrict hours of operation for a particular
956 applicant or licensee.

957 “At the time of initial application of any class of license or at renewal, the Board
958 may further limit the hours of sale and delivery for a particular applicant or licensee:

959 “(a) Based upon the Board’s findings of fact and conclusions of law, and order following
960 a protest hearing; or

961 “(b) Under the terms of a settlement agreement.”.

962 “§ 25-2707. Seed-to-sale tracking and wholesale purchase systems.

963 “(a) A licensee shall be required to utilize and record inventory in a seed-to-sale tracking
964 system selected and approved by the Board. The licensee shall be responsible for purchasing
965 radio-frequency identification (RFID) tags and hardware to utilize the designated software and

966 may be charged a user fee by the Board. The Board shall establish rules regarding the entry of
967 data by licensees into the seed-to-sale tracking system.

968 “(b) In addition to a seed-to-sale tracking system in subsection (a), the Board may,
969 through rulemaking, require all licensees to utilize a wholesale purchasing system for wholesale
970 buying and selling of marijuana and marijuana products.

971 “§ 25-2708. Permitted sale amounts for microbusinesses and off-premises retailers.

972 “(a) An off-premises licensee shall not sell more than the following to a customer in
973 either one transaction or in one day:

974 “(1) One ounce of usable marijuana flower;

975 “(2) 5 grams of marijuana concentrate;

976 “(3)(i) 16 ounces of marijuana-infused edibles;

977 “(ii) Marijuana-infused edibles sold by an off-premises licensee shall have
978 a serving size limit of 5 milligrams of THC with a total product dose of 100 milligrams.

979 “(4) 72 ounces of cannabinoid product in liquid form;

980 “(5) 30 milliliters of a marijuana tincture, or a container of tincture containing
981 more than 1500 milligrams of CBD; or

982 “(6) 1000 milligrams of CBD e-liquid for use in an electronic smoking device.

983 “(b) Permitted sale amounts under subsection (a) of this section may be adjusted by the
984 Board for qualified patients participating in the District’s medical marijuana program.”.

985 “§ 25-2709. Packaging requirements.

986 “(a) Prior to sale at a marijuana microbusiness or transfer to an off-premises retailer, all
987 marijuana and marijuana products shall be packaged in a child-resistant container.

988 “(b) Containers shall not include any characters, symbols, or names similar to those
989 identified by or appealing to children or adolescents.”.

990 “§ 25-2710. Labeling requirements.

991 “(a) Prior to sale at a marijuana microbusiness or transfer to an off-premises retailer,
992 every container of marijuana and marijuana products shall be affixed with a label that identifies:

993 “(1) The license numbers of the cultivator, manufacturer, microbusiness, and off-
994 premises retailer where the marijuana or marijuana product was cultivated, manufactured, and
995 offered for sale, as applicable;

996 “(2) The net contents;

997 “(3) The level of THC and CBD contained in the product in percentage terms or
998 in amount per serving, or both, as appropriate to the product, and as may be prescribed by
999 ABCA.

1000 “(4) Information on gases, solvents, and chemicals used in marijuana extraction, if
1001 applicable;

1002 “(5) Instructions on usage;

1003 “(6) For marijuana products, a list of ingredients and possible allergens; and

1004 “(7) For edible marijuana products, a nutrition fact panel.

1005 “(b) Labels shall not include any characters, symbols, or names similar to those identified
1006 by or appealing to children or adolescents.

1007 “(c) Labels shall not contain any false or misleading statements and shall not make
1008 health-related claims.”.

1009 “§ 25-2711. Signage and logos.

1010 “(a)(1) Marijuana licensees shall not use signage or logos that include animals, cartoon
1011 characters, or other images particularly appealing to children and adolescents.
1012 “(2) Logos shall not contain medical symbols, images of marijuana, marijuana
1013 paraphernalia, or colloquial references to marijuana.
1014 “(b) No signage placed on the exterior of a licensed marijuana establishment or elsewhere
1015 in the District, including the licensee’s trade name, shall be illuminated or contain intermittent
1016 flashing lights.
1017 “(c) No signage shall not contain false or misleading statements.
1018 “(d) A sign that does not conform to this section shall be removed.”.
1019 “§ 25-2712. Advertising and marketing restrictions.
1020 “(a) Any advertisement of marijuana or marijuana products shall not:
1021 “(1) Use include animals, cartoon characters, or other images particularly
1022 appealing to children and adolescents.
1023 “(2) Depict someone who is or appears to be under 21 years of age consuming
1024 marijuana; and
1025 “(3) Promote excessive consumption.
1026 “(b) Any radio or television broadcast or publication advertising marijuana or marijuana
1027 products shall be limited to audiences that can be reasonably expected to consist of at least 75%
1028 of persons 21 years of age or older.
1029 “(c) A marijuana establishment’s website or any advertisement shall not make health-
1030 related claims and shall indicate that marijuana and marijuana products are for persons 21 years
1031 of age or older.

1032 “(d)(1) A marijuana licensee shall be prohibited from advertising marijuana or marijuana
1033 products on any exterior sign, special sign as defined in Section N101 of Subtitle 12-A of the
1034 D.C. Construction Code, or outdoor billboard.

1035 “(2) Advertisements related to marijuana or marijuana products shall not be
1036 displayed on the exterior or interior of any window or door of licensed marijuana establishment.

1037 “(e) Any advertisement of marijuana or marijuana product shall not contain false or
1038 misleading statements.

1039 “(f) No person shall publish or disseminate or cause to be published or disseminated,
1040 directly or indirectly, through any radio or television broadcast, in any newspaper, magazine,
1041 periodical, or other publication, or by any sign, placard, or any printed matter, an advertisement
1042 or cannabis or cannabis products that are not in conformity with this title.”.

1043 “§ 25-2713. Restrictions on samples, prizes and sweepstakes, and tie-in purchases.

1044 “(a) The holder of a microbusiness or off-premises retail license shall not be permitted to:

1045 “(1) Provide free samples of any cannabis product to customers; or

1046 “(2) Give away free marijuana products as part of a promotional giveaway or
1047 sweepstakes.

1048 “(b) The holder of a cultivation or manufacturer’s license shall not require, directly or
1049 indirectly, a retailer to purchase any type of cannabis product in order to purchase any other
1050 cannabis product.”.

1051 “§ 25-2714. Sale to minors and intoxicated persons prohibited; restriction on minor’s
1052 entrance to licensed premises.

1053 “(a) The sale or delivery of marijuana or marijuana products to the following persons is
1054 prohibited:

1055 “(1) A person under the age of 21, either for the person’s own use or for the use of
1056 any other person, is prohibited, provided that:

1057 “(A) A microbusiness or off-premises retailer may sell medical cannabis
1058 or medical cannabis products to qualified patients age 18 to 20 who are participating in the
1059 District’s medical marijuana program.

1060 “(B) A microbusiness or off-premises retailer may sell medical cannabis
1061 or medical cannabis products to parents, legal guardians, or caregivers of qualified patients under
1062 the age of 18 who are participating in the District’s medical marijuana program.

1063 “(2) An intoxicated person, or any person who appears to be intoxicated or under
1064 the influence.

1065 “(b)(1) A microbusiness or off-premises retailer shall not permit a person under the age
1066 of 21 to enter the licensed premises unless the person is a qualified patient age 18 to 20 with a
1067 valid medical marijuana registration card.

1068 “(2) A microbusiness or off-premises retailer shall not permit a patron to enter the
1069 licensed establishment until the licensee or the licensee’s employee is shown a valid
1070 identification document showing that the individual is 21 years of age or older, or in the case of a
1071 of a patient age 18 to 20 who is participating in the medical marijuana program, a valid
1072 identification document and a valid registration card.

1073 “(c) It shall be an affirmative defense of violating subsection (b) or (c) of this section that
1074 the licensee or the licensee’s employee was shown a valid identification document that the
1075 licensee or the licensee’s employee reasonably believed was valid and that the licensee or the
1076 licensee’s employee reasonably believed that the person was of age.

1077 “(d) Notwithstanding the provisions of this section, the holder of a microbusiness or off-
1078 premises retailer’s license shall not discriminate on any basis prohibited by Unit A of Chapter 14
1079 of Title 2 of the D.C. Code.”.

1080 “§ 25-2715. Production of valid identification document required.

1081 “(a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person
1082 who cannot or refuses to provide the licensee with a valid identification document.

1083 “(b) A licensee or a licensee’s employee shall take reasonable steps to ascertain whether
1084 any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.

1085 “(c) In order to ensure individual privacy is protected, customers shall not be required to
1086 provide microbusiness or off-premises retailer with personal information other than a valid,
1087 government-issued identification necessary to determine the customers’ age.”.

1088 “§ 25-2716. Sale or distribution of cannabis or cannabis products by minors prohibited.

1089 “A licensee shall not allow any person under the age of 21 to volunteer or work at a
1090 marijuana establishment.”.

1091 “§ 25-2717. Security plans and measures.

1092 “(a) A licensed marijuana establishment shall be required to submit a security plan with
1093 its license application. At a minimum, the plan shall:

1094 “(1) Account for the prevention of theft or diversion of cannabis;

1095 “(2) Demonstrate safety procedures for employees and patrons;

1096 “(3) Establish procedures, equipment, and designs that provide for safe delivery
1097 and storage of currency; and

1098 “(4) Demonstrates that all security procedures, equipment, and designs are and
1099 will be kept compliant with all applicable laws and rules, including regulations issued by the
1100 Board to implement this act.

1101 “(b) A licensed marijuana establishment shall be required to maintain security cameras
1102 and video footage that satisfies the requirements of § 25-402(4)(4).

1103 “(c) ABCA-licensed microbusinesses and off-premises retailers shall not admit any
1104 person, other than a person hired to guard the premises pursuant to its security plan filed with the
1105 ABCA, who is carrying a gun or other weapon.”.

1106 “§ 25-2718. Public space plan.

1107 “(a) A licensed marijuana establishment shall be required to submit a public space plan
1108 showing what, if any, potential impacts the establishment will have on:

1109 “(1) Local vehicular traffic and parking; and

1110 “(2) Pedestrian traffic around the premises.

1111 “(b) The public space plan shall identify strategies or mechanisms to mitigate potential
1112 negative impacts.”.

1113 “§ 25-2719. Temporary surrender of license—safekeeping.

1114 “(a)(1) A marijuana license that is discontinued for any reason for more than 14 calendar
1115 days shall be surrendered by the licensee to the Board for safekeeping.

1116 “(2) The licensee shall submit to ABCA a plan to dispose of cannabis or cannabis
1117 products upon surrendering their license.

1118 “(b)(1) The Board shall hold the license until the licensee resumes business at the
1119 licensed establishment or the license is transferred to a new owner. If the licensee has not

1120 initiated proceedings to resume operations or transfer within one year, the Board shall deem the
1121 license abandoned and cancel the license.

1122 “(2) The Board may extend the period in paragraph (1) if a licensee can
1123 demonstrate:

1124 “(A) A good faith effort has been made to resume operations or transfer
1125 the license; and

1126 “(B) Personal or financial hardships have caused delays in resuming
1127 operations or transferring the license.

1128 “(c) ABCA shall review licenses in safekeeping every 6 months to ensure that the
1129 licensee is making reasonable progress on returning to operation.

1130 “(d) A license suspended by the Board under this title shall be stored at ABCA.

1131 “(e) A license shall not be eligible for safekeeping and shall be canceled by the
1132 Board if the licensee failed to open for business within 180 days of initially being issued a
1133 marijuana license or 365 days for Social Equity Applicants, or stopped within 90 days of initially
1134 being issued a marijuana license.

1135 “§ 25-2720. Authorized products and methods of sale.

1136 “(a) Except as permitted by the Board, a microbusiness or off-premises retailer shall not
1137 be authorized to sell any products or services other than cannabis, cannabis products, or cannabis
1138 paraphernalia intended for the storage or use of cannabis or cannabis products.

1139 “(b) It shall be unlawful for microbusinesses or off-premises retailers, or any other
1140 business or person in the District, to offer cannabis or cannabis products via a vending machine.

1141 “(c) Microbusinesses and off-premises retailers shall keep all products secured behind a
1142 counter, locked door, or under glass not accessible to the customer. Customers are not permitted

1143 to help themselves to a product but shall place an order with authorized employees of the
1144 retailer.”.

1145 ~~“§ 25-2721. Delivery of cannabis and cannabis products.~~

1146 ~~“(a) Deliveries shall only be made by the holder of a microbusiness or off-premises~~
1147 ~~retailer’s license that has a delivery endorsement.~~

1148 ~~“(b) Microbusiness and off-premises retailers shall only be permitted to deliver to a~~
1149 ~~District residence or at the business location via curbside pickup but shall not be permitted to~~
1150 ~~deliver to residences located on college campuses and universities.~~

1151 ~~“(c)(1) The person ordering the delivery shall be at the home or at the business for~~
1152 ~~curbside pickup at the time of the delivery.~~

1153 ~~“(2) For purposes of this section, “at the home” includes on the steps of the~~
1154 ~~residence or in the yard of the residence.~~

1155 ~~“(d) Prior to transfer of marijuana or marijuana product to the consumer, a microbusiness~~
1156 ~~or off-premises retailer shall require the person ordering the delivery to sign for the delivery and~~
1157 ~~shall ensure that the name on the valid identification document matches the name of the~~
1158 ~~customer who placed the order.~~

1159 ~~“(e) Marijuana microbusinesses and off-premises retailers offering home delivery or~~
1160 ~~curbside pickup must state prominently on their website or by telephone that it is illegal under~~
1161 ~~federal law to receive, possess, or use marijuana in federally-funded public housing under the~~
1162 ~~Controlled Substances Act, so long as that remains the case.~~

1163 ~~“(h) Landlords remain free to ban the delivery of combustible marijuana to their tenants~~
1164 ~~at premises they own, notwithstanding the legality of such delivery.~~

1165 ~~“(i) If a landlord or property owner posts a sign reasonably designed to be visible from~~
1166 ~~the front door saying “No combustible marijuana deliveries to this building” any delivery service~~
1167 ~~must cancel the order for a combustible marijuana product placed by a tenant at the residence.~~

1168 ~~“(j) Except as may be authorized by the Board in subsection (h), no deliveries shall be~~
1169 ~~made to licensed businesses, including hotels and restaurants, nor shall deliveries be made to~~
1170 ~~public parks or in public spaces, and it is an affirmative duty of an off-premises retailer to verify~~
1171 ~~that the address for delivery is a residential address.~~

1172 ~~“(h) No deliveries may take place on federally owned land or on the premises of federally~~
1173 ~~owned buildings.~~

1174 ~~“(i) The Board is authorized to issue regulations regarding verifying the identity and age~~
1175 ~~of the customer, the status of an address as a residence, and record retention for deliveries. No~~
1176 ~~sooner than two years after the effective date of this act, the Board may establish a system to~~
1177 ~~expand permissible delivery locations in the District.”.~~

1178 (j) A new Chapter 28 is added to read as follows:

1179 CHAPTER 28. ENFORCEMENT, INFRACTIONS, AND PENALTIES.

1180 “§ 25-2801. Authority of the Board and ABCA investigators.

1181 “(a) The Board shall have the authority to enforce the provisions of this title with respect
1182 to licensees and with respect to any person not holding a license and selling marijuana and
1183 marijuana products without a license in violation of the provisions of this title.

1184 “(b) ABCA investigators shall issue citations for civil violations of this title that are set
1185 forth in the schedule of penalties established under D.C. Code § 25-2803.

1186 “(c) ABCA investigators may:

1187 “(1) Request and check the identification of a patron inside of or attempting to
1188 enter an establishment with a marijuana license;
1189 “(2) Seize evidence that substantiates a violation under this title, which shall
1190 include the seizing of marijuana or marijuana products believed to have been sold to minors and
1191 fake identification documents used by minors.
1192 “(d) ABCA investigators may seize a marijuana license from an establishment if:
1193 “(1) The marijuana license has been suspended, revoked, or canceled by the
1194 Board;
1195 “(2) The business is no longer in existence; or
1196 “(3) The business has been closed by another District government agency.
1197 “(e) Any show cause enforcement hearings brought by the Board for violations of
1198 this title shall follow the procedures set forth in D.C. Code § 25-447.”.
1199 “§ 25-2802. Revocation or suspension of licenses for violations of this title.
1200 “(a) Pursuant to Subchapter II of Chapter 8, the Board may fine, suspend,
1201 summarily suspend or revoke the license of a licensee.
1202 “(b) Pursuant to D.C. Code § 25-827, or if the Chief of Police finds that a licensed
1203 establishment is diverting cannabis product out of state, selling cannabis or cannabis products to
1204 minors, or if the facility is associated with crimes of violence, the Chief of Police may close a
1205 marijuana establishment for up to 96 hours.”.
1206 “§ 25-2803. Civil penalties.
1207 “(a) In the rules implementing this act, the Board shall include a schedule of civil
1208 penalties and fine ranges for violations of this title.

1209 “(b) The schedule shall contain three tiers that shall reflect the severity of the violation
1210 for which the penalty is proposed:

1211 “(1) Tier 1 shall apply to violations that may hurt the efficiency and overall
1212 performance of programs for the regulated sale of cannabis, such as failure to comply with basic
1213 administrative procedures and protocols and minor changes to plans that do not affect the health
1214 safety or welfare of the public.

1215 “(2) Tier 2 shall apply to violations that are more severe than Tier 1 but generally
1216 do not have an immediate or potential negative impact on the health, safety, and welfare of the
1217 public. This tier may include violations of advertising and marketing requirements, violations of
1218 packaging and labeling requirements that do not directly impact patient or consumer safety, and
1219 minor or clerical errors in the seed-to-sale tracking system.

1220 “(3) Tier 3 shall apply to violations that generally have an immediate or potential
1221 negative impact on the health, safety, and welfare of the public, including selling to minors,
1222 making false statements, or utilizing advertising or marketing materials that target minors.

1223 “(c) The schedule shall contain escalating penalties for repeat violations and a list of
1224 potential mitigating or aggravating factors that may be considered when determining the
1225 imposition of a civil penalty.

1226 “§ 25-2804. Alcohol or tobacco infused marijuana.

1227 “(a) Except in the case of tincture products containing distilled spirits in conformance
1228 with regulations issued by the Tax and Trade Bureau of the United States Department of
1229 Treasury, it shall be unlawful for a person to sell or offer for sale alcohol that has been infused
1230 with marijuana; or marijuana products that have been infused with tobacco products.

1231 “(b) A licensee shall not sell or offer for sale alcohol that has been infused with

1232 marijuana except in the case of tinctures that are infused with distilled spirits in conformance
1233 with regulations issued by the Tax and Trade Bureau; or tobacco products.

1234 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1235 more than \$1,000.”.

1236 “§ 25-2805. Tampering with packaging or container.

1237 “(a) A licensee or a licensee’s employee shall not knowingly:

1238 “(1) Misrepresent the brand or contents of any marijuana product sold or offered
1239 for sale;

1240 “(2) Tamper with the contents of any marijuana packaging;

1241 “(3) Remove or obliterate any label from marijuana packaging being offered for
1242 sale;

1243 “(4) Deliver or sell the contents of any marijuana packaging that has had its label
1244 removed or obliterated.

1245 “(b) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1246 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1247 public as being a genuine marijuana license issued by ABCA.”.

1248 “§ 25-2806. Vaping devices.

1249 “(a) It shall be unlawful for a person to sell, offer for sale, or give a vaping device to a
1250 person who is under 21 years of age.

1251 “(b) A licensee shall not sell, offer for sale, or give a vaping device to a customer who is
1252 under 21 years of age.

1253 “(c) A licensee who violates this section shall be assessed a civil fine in an amount of no
1254 more than \$1,000.”.

1255 “§ 25-2806. Forged licenses.

1256 “(a) It shall be unlawful for a person to willfully or knowingly alter, forge counterfeit,
1257 endorse, or make use of any false or misleading document reasonably calculated to deceive the
1258 public as being a genuine license issued by ABCA.

1259 “(b) It shall be unlawful for a person to willfully or knowingly furnish to a member of
1260 MPD or an ABCA investigator an altered, forged, counterfeited, endorsed or false or misleading
1261 document reasonably calculated to deceive MPD or the ABCA investigator as being a genuine
1262 license issued by ABCA.

1263 “(c) A person convicted of a violation of this section shall be fined no more than
1264 the amount set forth in D.C. Official Code § 22-3571.01, or incarcerated for more than 1
1265 year or both.”.

1266 “§25-2807. Other penalties.

1267 “(a) Any person who significantly alters or at all falsifies any reports, documents, or
1268 plans, or misrepresents any information required for licensing or purchasing marijuana under this
1269 title shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not
1270 more than the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more
1271 than one year, or both.

1272 “(b) Any person required to file taxes for sales or transfer of marijuana or marijuana
1273 products under this title who willfully attempts in any manner to evade or defeat a tax, or the
1274 payment there; any person who knowingly diverts marijuana or marijuana products outside of
1275 the regulated system, shall be guilty of a felony and, upon conviction, shall be fined not more
1276 than the amount set forth in D.C. Official Code § 22-3571.01, or imprisoned for not more than

1277 three years, or both. The penalty provided herein shall be in addition to other penalties provided
1278 under District or federal law.

1279 “(c) Violations of this section that are misdemeanors shall be prosecuted on information
1280 filed in the Superior Court of the District of Columbia by the Office of the Attorney General.
1281 Violations of this subsection that are felonies shall be prosecuted by the United States Attorney
1282 for the District of Columbia.

1283 “(d) In addition to any civil penalties or fines imposed, ABCA is authorized to issue
1284 warnings, impose additional conditions on licensees, ban persons who have committed violations
1285 from participating or purchasing cannabis or working in establishments under this act.

1286 “(e) A civil fine may be imposed by ABCA as an alternative sanction for any violation of
1287 this title for which no specific penalty is provided, or any rules or regulations issued under the
1288 authority of this title, under Chapter 18 of Title 2. Adjudication of an infraction that is contested
1289 or appealed under this section shall be heard by OAH pursuant to Chapter 18 of Title 2.”.

1290 (j) A new Chapter 29 is added to read as follows:

1291 CHAPTER 29. LIMITATIONS ON CONSUMERS; PUBLIC EDUCATION.

1292 “§ 25-2901. Purchase, possession, use, or consumption by persons under the age of 21;
1293 misrepresentation of age; penalties.

1294 “(a)(1) No person who is under 21 years age shall purchase, attempt to purchase, possess,
1295 use, or consume marijuana or marijuana products in the District, provided that this shall not
1296 apply to minors ages 18 to 20 participating in the District’s medical marijuana program.

1297 “(2) Only an authorized parent, legal guardian, or caregiver shall be allowed to
1298 purchase marijuana or marijuana products for minors under the age of 18 who are participating
1299 in the District’s medical marijuana program.

1300 “(b) No person shall falsely represent his or her age or possess as proof of age an
1301 identification document which is in any way fraudulent for the purpose of purchasing,
1302 possessing, using, or consuming cannabis in the District.

1303 “(c) No person shall present a fraudulent identification document for the purposes
1304 of entering an establishment possessing an off-premises retailer’s license licensed under
1305 chapter 21 of this title.

1306 “(d) For the purpose of determining valid representation of age, each person shall be
1307 required to present to the establishment owner or representative at least one form of valid
1308 identification, which shall have been issued by an agency of government (local, state, federal, or
1309 foreign) and shall contain the name, date of birth, signature, and photograph of the individual;
1310 provided, that a military identification card issued by an agency of government (local, state,
1311 federal, or foreign) shall be an acceptable form of valid identification whether or not it contains
1312 the individual's signature.

1313 “(e) Any person guilty of violating this section shall be subject to fines and penalties as
1314 follows:

1315 “(1) Upon the first violation, a fine of not more than \$25, or the performance of
1316 10 hours of community service;

1317 “(2) Upon the second violation, a fine of not more than \$50, the performance of
1318 15 hours of community service, or both; and

1319 “(3) Upon the third and subsequent violations, a fine of not more than \$100, the
1320 performance of 20 hours of community service, or both.

1321 “(f) If the individual subject to penalties in subsection (e) is under the age of 18, the
1322 Office of Administrative Hearings shall mail a copy of the notice of violation to the parent or
1323 guardian of the person to whom the notice of violation is issued at the address provided by the
1324 the person at the time the citation is issued pursuant to § 48-1202.

1325 “§ 25-2902. Marijuana paraphernalia.

1326 “A person 21 years of age or older shall not be arrested, prosecuted, penalized or
1327 disqualified and shall not be subject to seizure or forfeiture of assets for possessing,
1328 purchasing or otherwise obtaining or manufacturing marijuana accessories or for selling
1329 or otherwise transferring marijuana accessories to a person who is 21 years of age or
1330 older.”.

1331 “§ 25-2903. Public education.

1332 “The Board shall develop and implement a public education campaign that includes
1333 information on:

1334 “(a) Who is legally authorized to purchase, possess, and use marijuana or marijuana
1335 products pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021;

1336 “(b) Sale and dosage limits pursuant to the Comprehensive Cannabis Legalization and
1337 Regulation Act of 2021 and applicable regulations;

1338 “(c) Places or locations where the possession and/or use of marijuana or marijuana
1339 products are prohibited;

1340 “(d) Methods of marijuana use, including the effects and potentials risks associated with
1341 each method;

1342 “(e) The health effects of marijuana use; and

1343 “(f) Responsible use and harm reduction strategies, including safe storage of marijuana
1344 and marijuana products in the home, not operating a motor vehicle while impaired, avoiding the
1345 use of marijuana and marijuana products while pregnant, and not consuming marijuana with
1346 alcohol or other drugs.”.

1347 (j) A new Chapter 30 is added to read as follows:

1348 CHAPTER 30. TAXES AND REVENUES.

1349 “§ 25-3001. Imposition and collection of taxes.

1350 “(a)(1) A tax is imposed upon all vendors for the privilege of selling retail marijuana and
1351 marijuana products. The rate of such tax shall be 13% of the gross receipts from sales or charges
1352 for retail marijuana or marijuana products.

1353 “(2) For medical marijuana and medical marijuana products, the rate of such tax
1354 shall be 6% of the gross receipts from sales or charges.

1355 “(b) The taxes imposed in subsection (a) shall be collected by the off-premises retailer
1356 from the purchaser on all sales of retail marijuana or marijuana products.”.

1357 “§ 25-3002. Income taxes and tax exemptions.

1358 “(a) Licensees shall be subject to applicable income taxes pursuant to Chapter 18 of Title
1359 47.

1360 “(b) For License carriers engaged in the commercial cannabis supply chain of cultivation,
1361 manufacturing, and off-premises retail, there shall be allowed as a deduction all the ordinary and
1362 necessary expenses paid or incurred during the taxable year in carrying on any trade or business,
1363 as defined in D.C. Official Code § 47- 1803.03(a). Any business expenses allowed under this
1364 paragraph shall be subject to the same limitations as provided for the Internal Revenue Code of
1365 1986; however, a licensed cannabis business shall be allowed, for the purposes of District taxes,

1366 any federal income tax deduction that is disallowed by Internal Revenue Code §280E. This
1367 deduction shall be available for all corporations, including limited liability corporations (LLCs)
1368 and sole proprietors established as corporations. The Office of Tax and Revenue shall accept a
1369 federal pro forma return that includes business expenses and calculate District of Columbia
1370 income tax liability using the pro forma return.

1371 “(c) Deductions prescribed in D.C. Official Code § 47-1803.03(d) shall not be
1372 allowed under this Chapter.”.

1373 “§ 25-3003. Revenues.

1374 “(a) All funds obtained from initial marijuana licensing and permitting fees shall be
1375 deposited into the Cannabis Equity and Opportunity Fund established in D.C. Official Code §
1376 22-2105.

1377 “(b) All funds obtained from renewal of marijuana licenses and permits, and penalties
1378 and fines, shall be deposited into the General Fund of the District of Columbia.

1379 “(c) Except as provided in D.C. Official Code §§ 25-2104 and 25-2108, all funds
1380 obtained from the tax imposed under D.C. Official Code § 25-3001 shall be deposited into the
1381 General Fund of the District of Columbia.”.

1382 Sec. 4. The District of Columbia Uniform Controlled Substances Act of 1981, effective
1383 August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.01 *et seq.*) is amended as follows:

1384 (a) Section 102 (D.C. Official Code § 48-901.02) is amended as follows:

1385 (1) Paragraph (3) is amended as follows:

1386 (A) Subparagraph (A) is amended by striking the phrase “whether growing
1387 or not” and inserting the phrase “whether growing or not, and whether in edible form or not” in
1388 its place.

1389 (B) Subparagraph (B) is amended by striking the phrase “form such resin”
1390 and inserting the phrase “from such resin, whether in edible form or not” in its place.

1391 (2) A new paragraph (13A) is added to read as follows:

1392 “(13A) “Marijuana concentrates” means products consisting wholly or in part of a
1393 substance derived from any part of the cannabis plant by a mechanical or chemical extraction
1394 process.

1395 “(b) Section 401 (D.C. Official Code § 48-904.01) is amended to read as follows:

1396 (1) A new subsection (c-1) is added to read as follows:

1397 “(c-1)(1) It is unlawful for any person who is not licensed as a cultivator
1398 under this act or registered as a cultivation center and authorized by regulations promulgated
1399 under the Legalization of Marijuana for Medical Treatment Initiative of 1999, effective July 27,
1400 2010 (D.C. Law 13-315; D.C. Official Code § 7-1671.01 *et seq.*), to knowingly or intentionally;

1401 “(A) Use butane, hexane, propane, or other explosive gases to extract or
1402 separate resin from marijuana, or Tetrahydrocannabinol from marijuana; or

1403 “(B) Use any other liquid chemical, compressed gas, or commercial
1404 product, other than alcohol or ethanol, that has a flashpoint at or lower than 38 degrees Celsius or
1405 100 degrees Fahrenheit, for the purpose of manufacturing marijuana concentrates.

1406 “(2) Any person who violates this subsection is guilty of a felony and, upon
1407 conviction, may be imprisoned for not more than 3 years, fined not more than the amount set
1408 forth in section 101 of the Criminal Fine Proportionality Amendment Act of 2012, effective June
1409 11, 2013 (D.C. Law 19-317; D.C. Official Code § 22-3571.01), or both.”.

1410 Sec. 5. Discrimination prohibited.

1411 “(a) Neither the presence of cannabinoid components or metabolites in a person's bodily
1412 fluids nor possession of cannabis-related paraphernalia, nor conduct related to the use of
1413 cannabis or the participation in cannabis-related activities lawful under this act by a custodial or
1414 non-custodial parent, grandparent, legal guardian, foster parent, or other person charged with the
1415 well-being of a child shall form the sole basis for any action or proceeding by a child welfare
1416 agency or in family or juvenile court, any adverse finding, adverse evidence, or restriction of any
1417 right or privilege in a proceeding related to adoption of a child, acting as a foster parent of a
1418 child, or a person's fitness to adopt a child or act as a foster parent of a child, or serve as the
1419 basis of any adverse finding, adverse evidence or restriction of any right or privilege in a
1420 proceeding related to guardianship, conservatorship, trusteeship, the execution of a will, or the
1421 management of an estate, unless the person's actions in relation to cannabis created an
1422 unreasonable danger to the safety of the minor or otherwise show the person to not be competent
1423 as established by clear and convincing evidence. This section applies only to conduct protected
1424 under this act.

1425 “(b) A person shall not be denied eligibility for public assistance programs based solely
1426 on conduct that is permitted under this act unless otherwise required by federal law.

1427 “(c) No landlord may be penalized or denied any benefit under District law for leasing to
1428 a person who uses cannabis under this act.

1429 “(d) Nothing in this Act may be construed to require any person or establishment in
1430 lawful possession of property to allow a guest, client, lessee, customer, or visitor to use cannabis
1431 on or in that property.”.

1432 Sec. 6. Expungement of marijuana-related arrests and convictions.

1433 “(a)(1) Commencing 180 days after the effective date of this act, the Clerk of the District
1434 of Columbia Superior Court shall conduct a comprehensive review and issue an order expunging
1435 each arrest, prosecution, conviction or adjudication of juvenile delinquency for a violation of the
1436 District of Columbia Uniform Controlled Substances Act of 1981, effective August 5, 1981
1437 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*) relating to marijuana or marijuana
1438 paraphernalia except as provided in subsection (c).

1439 (2) The order shall direct the prosecutor, any law enforcement agency, and any
1440 pretrial, corrections, or community supervision agency to expunge any affected arrests,
1441 prosecutions, or convictions.

1442 “(b) At any point after the effective date of this Act, any individual with a prior arrest,
1443 prosecution, conviction or adjudication of juvenile delinquency relating to marijuana or
1444 marijuana paraphernalia under the District of Columbia Uniform Controlled Substances Act of
1445 1981, effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*), who is
1446 not under a criminal justice sentence, may file a motion for expungement, except for offenses in
1447 subsection (c). If the expungement of such an arrest, prosecution, conviction, or adjudication of
1448 juvenile delinquency is required pursuant to this Act, the court shall issue an order to expunge
1449 the arrest, prosecution, conviction, or adjudication and any associated arrests. If the individual is
1450 indigent, counsel shall be appointed to represent the individual in any proceedings under this
1451 subsection.

1452 “(c) Subsections (a) and (b) shall not apply to cases that involving the distribution or sale
1453 of marijuana to minors, except if the arrest or charge was dismissed with prejudice.”.

1454 Sec. 7. Modification of sentences for marijuana-related convictions.

1455 “(a)(1) A defendant serving a sentence for a conviction, whether by trial or by open or
1456 negotiated plea, of the District of Columbia Uniform Controlled Substances Act of 1981,
1457 effective August 5, 1981 (D.C. Law 4-29; D.C. Official Code § 48-901.02 *et seq.*) relating to
1458 marijuana or marijuana paraphernalia may file an application to vacate, set aside, or correct the
1459 sentence.

1460 “(2) The defendant shall be present at any hearing conducted under this section
1461 unless the defendant waives the right to be present. Any proceeding under this section may occur
1462 by video conferencing, and the requirement of a defendant's presence is satisfied by
1463 participation in the video teleconference.

1464 “(3) The court shall issue an opinion in writing stating the reasons for granting or
1465 denying an application under this section, but the court may proceed to sentencing immediately
1466 after granting an application.

1467 “(b) In determining whether to vacate, set aside, or correct a sentence pursuant to
1468 subsection (a) of this section, the court may consider:

1469 “(1) The defendant’s criminal conviction history, including the types of crimes
1470 committed, the length of prison commitments, and the remoteness of crimes;

1471 “(2) The defendant’s disciplinary record and record of rehabilitation while
1472 incarcerated; and

1473 “(3) Any other evidence the court, within its discretion, determines to be relevant.

1474 “(c) Any defendant whose sentence is reduced under this section shall be resentenced
1475 pursuant to D.C. Official Code § 24-403, § 24-403.01, or § 24-903, as applicable.

1476 “(d) This section shall not apply to convictions involving the distribution or sale of
1477 marijuana to minors.”.

1478 Sec. 8. Employment and legal cannabis use.

1479 “(a) Except as otherwise provided by law and subsections (b), (c), and (d) of this section,
1480 it shall be unlawful for an employer to refuse to hire or to discharge any individual, or otherwise
1481 disadvantage any individual, with respect to compensation, terms, conditions, or privileges of
1482 employment because he or she lawfully consumes cannabis or cannabis products off the
1483 premises of the employer during nonworking and non-call hours. For purposes of this section, an
1484 employee is deemed on-call when the employee is scheduled with at least 24 hours' notice by his
1485 or her employer to be on standby or otherwise responsible for performing tasks related to his or
1486 her employment either at the employer's premises or other previously designated location by his
1487 or her employer or supervisor to perform a work-related task.

1488 “(b) Nothing in subsection (a) shall:

1489 “(1) Prohibit an employer from adopting reasonable zero tolerance or drug-free
1490 workplace policies, or employment policies concerning drug testing, smoking, consumption,
1491 storage, or use of cannabis in the workplace or while on-call provided that the policy is applied
1492 in a nondiscriminatory manner;

1493 “(2) Require an employer to permit an employee to be under the influence of or
1494 use cannabis in the employer's workplace or while performing the employee's job duties or while
1495 on call; or

1496 “(3) Limit or prevent an employer from disciplining an employee or terminating
1497 the employment of an employee for violating an employer's employment policies or workplace
1498 drug policy.

1499 “(c) An employer may consider an employee to be impaired or under the influence of
1500 cannabis if the employer has a good faith belief that an employee manifests specific, articulable

1501 symptoms while working that decrease or lessen the employee's performance of the duties or
1502 tasks of the employee's job position, including symptoms of the employee's speech, physical
1503 dexterity, agility, coordination, demeanor, irrational or unusual behavior, or negligence or
1504 carelessness in operating equipment or machinery; disregard for the safety of the employee or
1505 others, or involvement in an accident that results in serious damage to equipment or property;
1506 disruption of a production or manufacturing process; or carelessness that results in any injury to
1507 the employee or others. If an employer elects to discipline an employee on the basis that the
1508 employee is under the influence or impaired by cannabis, the employer must afford the employee
1509 a reasonable opportunity to contest the basis of the determination.

1510 “(d) Nothing in this section shall be construed to create or imply a cause of action for any
1511 person against an employer for:

1512 “(1) Actions, including subjecting an employee or applicant to reasonable drug
1513 and alcohol testing under the employer's workplace drug policy, including an employee's refusal
1514 to be tested or to cooperate in testing procedures or disciplining or termination of employment,
1515 based on the employer's good faith belief that an employee used or possessed cannabis in the
1516 employer's workplace or while performing the employee's job duties or while on call in violation
1517 of the employer's employment policies;

1518 “(2) Actions, including discipline or termination of employment, based on the
1519 employer's good faith belief that an employee was impaired as a result of the use of cannabis, or
1520 under the influence of cannabis, while at the employer's workplace or while performing the
1521 employee's job duties or while on call in violation of the employer's workplace drug policy; or

1522 “(3) Injury, loss, or liability to a third party if the employer neither knew nor had
1523 reason to know that the employee was impaired.

1524 “(e) Nothing in this section shall be construed to interfere with any federal restrictions on
1525 employment or impact an employer’s ability to comply with federal law or cause it to lose
1526 federal contract or funding.”.

1527 Sec. 9. Section 23-1321(c)(1)(B)(ix) of the District of Columbia Official Code is
1528 amended as to read as follows:

1529 “(ix) Refrain from excessive use of alcohol or marijuana or any use of a narcotic drug or
1530 other controlled substance without a prescription by a licensed medical practitioner; provided,
1531 that a positive test for the use of marijuana, a violation of § 48-1201, or legal possession or use
1532 of marijuana pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021
1533 shall not be considered a violation of the conditions of pretrial release, unless the judicial officer
1534 expressly prohibits the use or possession of marijuana, as opposed to controlled substances
1535 generally, as a condition of pretrial release; the terms “narcotic drug” and “controlled substance”
1536 shall have the same meaning as in § 48-901.02;”.

1537 Sec. 10. Section 4(c) of An Act For the establishment of a probation system for the
1538 District of Columbia, approved June 25, 191 (36 Stat. 865; D.C. Official Code § 24-304), is
1539 amended to read as follows:

1540 “(c) A positive test for the use of marijuana, a violation of § 48-1201, or legal possession
1541 or use of marijuana pursuant to the Comprehensive Cannabis Legalization and Regulation Act of
1542 2021 shall not be considered a violation of a condition of probation unless the judicial officer
1543 expressly prohibits the use or possession of marijuana, as opposed to controlled substances
1544 generally, as a condition of probation.”.

1545 Sec. 11. Section 124 of the 21st Century Financial Modernization Act of 2000, effective
1546 June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

1547 “Sec. 124. Authority to transact business with marijuana licensees.

1548 “(a) A financial institution authorized to conduct business in the District of Columbia

1549 pursuant to the District of Columbia Banking Code is authorized to provide financial services to

1550 persons or entities with ABCA-approved marijuana licenses; and

1551 “(b) The financial institution shall not be in violation of the following by virtue of

1552 providing financial services to persons or entities with ABCA-approved marijuana licenses,

1553 provided that the financial institution complies with the Bank Secrecy Act Expectations

1554 Regarding Marijuana-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014, in

1555 the provision of the financial services:

1556 “(1) Section 2(k) of the District of Columbia Regional Interstate Banking

1557 Act of 1985, effective November 23, 1985 (D.C. Law 6-107 § 2(k); D.C. Official Code §

1558 26-109);

1559 “(2) Sections 122; 203(c)(4), (8), (12) and (13); 211(a), (e)(6); 217(6);

1560 and 219(a), of the 21st Century Financial Modernization Act of 2000, effective June 9,

1561 2001 (D.C. Law 13-308 § 122; D.C. Official Code § 26-101 et seq., 521, 26-551.22); and

1562 “(3) Section 10c(a)(1) and (2) District of Columbia Regional Interstate

1563 Banking Act of 1985, effective November 23, 1985 (D.C. Law 9-42; D.C. Official Code

1564 § 26-109(a)(1) and (2)).”.

1565 Sec. 12. Section 125 of the 21st Century Financial Modernization Act of 2000, effective

1566 June 9, 2001 (D.C. law 13-308; D.C. Official Code § 26-551.24) is amended to read as follows:

1567 “Sec. 125. Marijuana License and Compliance Portal.

1568 “(a) The Department of Insurance, Securities and Banking, in consultation

1569 with ABCA, shall establish a marijuana license and compliance portal for use by financial
1570 institutions.

1571 “(b) The portal shall be an online portal aggregating data on marijuana businesses from
1572 ABCA. The portal shall be designed to support financial institutions’ compliance and provide
1573 information so that financial institutions can with the Bank Secrecy Act Expectations Regarding
1574 Marijuana-Related Businesses Guidelines (FIN-2014-G001), February 14, 2014.

1575 “(c) At a minimum, the portal shall include the following information:

1576 “(1) Licensing and regulatory information;

1577 “(2) Product lists and sources of supply;

1578 “(3) Financial records of licensed establishments, including major transactions;

1579 “(4) Civil or criminal enforcement actions against licensees;

1580 “(5) Evidence of suspicious or illegal activity; and

1581 “(6) Other information to assist financial institutions, as determined by
1582 the Commissioner.”.

1583 Sec. 13. Section 126 of the 21st Century Financial Modernization Act of 2000,
1584 effective June 9, 2001 (D.C. Law 13-308; D.C. Official Code § 26-551.24) is amended to
1585 read as follows:

1586 “Sec. 126. Banking services enhancement.

1587 “(a) DISB shall conduct an analysis of additional changes in laws or regulations that
1588 might enable legal marijuana-related businesses to have better access to banking services and
1589 issue a report on such analysis within 18 months of the effective date of final regulations issued
1590 by the Alcoholic Beverage and Cannabis Board.

1591 “(b) DISB shall issue any rules necessary to repeal or amend any local rules, regulations,
1592 and practices that might impair access to financial services by persons licensed pursuant to this
1593 act, or to issue such rules to increase the availability of such services.

1594 “(c) Upon the enactment of any statute authorizing state-chartered credit unions in the
1595 District of Columbia, it shall be legal under District law for such a credit union to open accounts
1596 on behalf of and accept receipts from licensed marijuana businesses from their licensed
1597 activities.”.

1598 Sec. 14. Title 2 of the District of Columbia Official Code is amended as follows:

1599 Section 2-534(a) is amended by adding a new paragraph (18) to read as follows:

1600 “(18) Information related to the location of the premises owned by a cultivator or
1601 manufacturer licensee.”.

1602 Sec. 15. Section 6 of the Office of the Administrative Hearings Establishment Act
1603 Of 2001, effective March 6, 2002 (D.C. Law 14-76; D.C. Official Code § 2-1831.03), is
1604 amended by added a new subsection (b-25) to read as follows:

1605 “(b-25) This chapter shall apply to all adjudicated cases arising under D.C. Code § 25-
1606 2807.”.

1607 Sec. 16. Section 106a of The Prevention of Child Abuse and Neglect Act of 1977,
1608 effective September 23, 1977 (D.C. Law 2-22; D.C. Official Code § 4-1301.06a) is amended by
1609 adding new subsections (d) and (e) to read as follows:

1610 “(d) Where a newborn tests positive for the presence of cannabinoid components or
1611 metabolites, the positive test result alone shall not be sufficient to commence an investigation
1612 pursuant to paragraph (a)(1).

1613 “(e) Legal possession and use of marijuana by parents, legal guardians, or custodians
1614 pursuant to the Comprehensive Cannabis Legalization and Regulation Act of 2021 shall not form
1615 the sole basis of an investigation pursuant to paragraph (a)(1).”.

1616 Sec. 17. Title 48 of the District of Columbia Official Code is amended as follows:

1617 (a) Section 48-904.01(a)(1)(B) is amended to read as follows:

1618 “(B) Transfer to another person 21 years of age or older, without remuneration,
1619 marijuana weighing one ounce or less, or one clone, regardless of weight.”.

1620 (b) Section 48-904.01(a)(1)(C) is amended to read as follows:

1621 “(C) Possess, grow, harvest, or process, within the interior of a house, rental unit, or
1622 outdoor space accessible only from inside the house that is in the exclusive control of the
1623 resident, and constitutes such person’s principal residence, no more than 6 cannabis plants, with
1624 3 or fewer being mature, flowing plants; provided, that all persons residing within a single house
1625 or single rental unit may not possess, grow, harvest, or process, in the aggregate, more than 12
1626 cannabis plants, with 6 or fewer being mature, flowering plants;”

1627 (c) Section 48-904.01a(1) is amended by adding a new paragraph (E) to read as
1628 follows:

1629 “(E) “The Mayor shall be responsible for issuing all rules necessary to implement the
1630 provisions of this chapter.”.

1631 Sec. 18. Severability.

1632 If any provision of this act, or the application thereof to any person or circumstance, is
1633 found by a court invalid, such determination shall not affect other provisions or applications of
1634 this act which can be given effect without the invalid provision or application.

1635 Sec. 19. Fiscal impact statement.

1636 The Council adopts the fiscal impact statement in the committee report as the fiscal
1637 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
1638 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1639 Sec. 20. Effective date.

1640 This act shall take effect following approval by the Mayor (or in the event of veto by the
1641 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
1642 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
1643 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
1644 Columbia Register.

Committee of the Whole (Council)

From: Adrian Salsgiver <salsgiver1@gmail.com>
Sent: Friday, November 19, 2021 10:40 AM
To: Committee of the Whole (Council)
Subject: Comprehensive Cannabis Legalization and Regulation Act of 2021 Written Testimony
Attachments: Sun+Earth-MedicalMarijuanaCard.jpg

My name is Adrian Salsgiver and I'm here to tell you, in case you didn't know, that government does not have the right to tell you that you cannot smoke marijuana.

Government is supposed to protect our freedom, our liberty, and our natural, God-given human rights – not to take them all away and make everything a privilege. That's what's known as totalitarianism, or tyranny.

Yesterday, I went to the Alcohol Beverage Regulation Administration's Turnaround Thursday event and received my Medical Marijuana card, the one I paid for last February. It did not have the Mayor's name on it.

It was very encouraging.

I thought we were going to a complete digital format.

I thought I was going to have to have a government app on my phone to legally purchase cannabis.

A government app that would show my so-called vaccine status, social credit score, and marijuana privilege, along with many other things, including my privilege to leave my residence.

I like to freely walk down the street and smell cannabis being smoked, it's the smell of freedom.

And I'm wondering if it's too late for government to control cannabis. It's been illegal for so long, have the people figured it out for themselves?

For example; we will not be seeing USDA Certified Organic Cannabis anytime soon, probably never. But the people have taken this into their own hands. Sun and Earth Certified cannabis is grown pesticide free, in chemical free soil and under the Sun. A grower can get this certification without government interference.

The Comprehensive Cannabis Legalization and Regulation Act of 2021 seems to be an anti-smoking bill.

I would like to see more of a pro-smoking bill. Where is the funding?

Many people, especially seniors, are suffering in the Big Pharma death cult when all they really need is a little marijuana.

Millions of dollars have been spent to promote injections of drugs such as flu shots and so-called vaccines. Where are the millions to promote cannabis?

A pro-smoking, pro-cannabis bill would include funding to promote cannabis as a good medicine.

Please add funding to promote cannabis as good medicine to all legislation regarding cannabis.

Thank you.

My name is Rabbi Jeffrey Kahn. I am a resident of Brightwood Park and my family and I own and operate Takoma Wellness Center, the District's first and longest operating medical cannabis dispensary. Before discussing cannabis, let me put on my rabbi's hat to say (shehechyanu). This is a moment to celebrate for we have been kept alive, we have been sustained, and we've been brought to this moment when we begin to legalize the use of cannabis for all adults in Washington, D.C. Thank you Chairman Mendelson and all the members of the Council of the District of Columbia for making today possible.

I don't think anyone testifying today will oppose marijuana legalization. I-71 passed with 65% of the vote in 2014. I'm sure even more Washingtonians support full legalization today. But, today you will hear many different ideas of who, how, what, where, and when it should be done. The proposed legislation aims to maintain and strengthen our medical cannabis program. That intention is stated several times in the proposed legislation. I don't think anyone testifying today will oppose maintaining a strong medical cannabis program. We all want medical use and adult use and we all want it done correctly.

We will not be the first jurisdiction with a medical cannabis program to legalize all adult use. Washington State, Oregon, California, Arizona, Nevada, Colorado, Michigan, Alaska, New Mexico, and Illinois all had medical programs in place when their adult use programs began. All wanted to keep a medical program in place. Some have been far more successful than others.

The states that have succeeded have:

1. **Built their new adult use program on the foundation of their medical cannabis program.** Takoma Wellness Center has a ten-year unblemished record of successfully operating in a heavily regulated and taxed DC cannabis program. Current and proposed rules and legislation call for additional medical dispensaries and cultivation centers. An Adult Use program will, no doubt, require even more. But the current licensed dispensaries and cultivators must be grand-mothered into any Adult Use program and must be able to sell cannabis to any adult as soon as the Act is effective. That is our first step to success.
2. **Established a large enough tax difference between medical and adult use cannabis to encourage medical patients to see a medical care provider and register with the state.** It costs at least \$200 to enter DC's medical marijuana program. People will not spend that much and pay the same or a similar sales tax. The proposed legislation calls for a 13% sales tax for adult use and 6% for medical. The tax is too high to encourage medical registration or encourage regulated adult use sales. It would be best for adult use cannabis to be taxed at the regular 6%. Like any other medicine, medical cannabis should not be taxed at all. A low "recreational" tax and no medical tax is our second step.
3. **Allowed dispensaries that serve medical and adult use clients to mark all differences at the point of sale.** It is at the point that all differences in tax, limits, products, and

prices can be made. States that have adopted programs that require different entrances, inventories, counterspace, etc. have all found them excessively burdensome and unnecessary. We hope to see changes made to the proposed legislation to remove these stumbling blocks so we can succeed.

4. **Encouraged greater diversity and local participation by carefully expanding their program.** We need to be sure that rules and regs are promulgated so that supply and demand are maintained. New players must be added to the program to serve more clients. ABRA is about to open applications for new cultivators and a dispensary. The legislation under consideration today doubles the number of dispensaries. DC currently has one the most diverse cannabis industries in the nation. Most of our dispensaries are Black and/or woman owned. We are encouraged that this legislation will keep us as local and as diverse as possible. That's step four to our success.

Today, you are hearing many ideas about how DC can create a safe, legal, taxed, and regulated adult use cannabis market. Please remember that while doing so, we must maintain and strengthen our medical cannabis program, upon whose foundation the adult use program will be built. All current, licensed medical cannabis dispensaries must be to sell to the general adult population as soon as regulations are finalized. We must stop taxing medical cannabis altogether and create a low adult use sales tax. And, we must continue to encourage diverse and local ownership. Together, we can make all this happen and insure the success of our efforts.



**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE
OF THE WHOLE, COMMITTEE ON JUDICIARY & PUBLIC SAFETY, and
COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT
Public Hearing - November 19, 2021**

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021**

Presented by: Grace Hyde

Mr. Chairman and members of the Council, my name is Ed Weidenfeld and I am one of the other owners of Phyto Cultivation LLC and a medical cannabis patient.

I speak on behalf of the hundreds if not thousands of District residents who need medical cannabis to reduce their chronic pain, help them to function on a daily basis, and get quality rest and sleep.. Cannabis is not a recreational luxury for us, it's a critical part of maintaining our quality of life.

The medical market that serves us with safe products cannot compete with the illegals for access and price under current ABRA registration requirements and with only 7 medical dispensaries compared to the numerous illegal shops found in almost every neighborhood in the city.

As a result, too many medical patients are buying products at the illegal shops where the safety, even the content, of the products is a crap shoot. Those products aren't District grown from regulated cultivators. They are primarily west coast cannabis that is often contaminated and unsellable until a criminal network transport the cannabis to DC where it supplies the city's illegal shops.



Unsafe, often unhealthy cannabis products are a threat to all users, but for medical patients it's more than just a "bummer." We rely on cannabis to maintain a quality of life and to keep our illnesses and chronic conditions in check.

The loud voices from the illegal shops cannot hide the fact that their product is illegal and unsafe and that if they are allowed to continue to sell these products openly and aggressively it will harm medical patients and deny them access to safe, tested products.

We rely on this Council to pass legislation that will ensure we have access to the safe cannabis we need. That means legislation based on facts, not slogans, and recognizes that you have a responsibility to residents that need safe medical cannabis. While obviously the recreational market will always be much larger than the medical market, please keep us and our quality of life needs as a high priority as you balance the issues and create a legal cannabis program for the District.



**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA COMMITTEE
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COMMITTEE OF THE WHOLE, COMMITTEE ON JUDICIARY & PUBLIC SAFETY, and
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Public Hearing - November 19, 2021**

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021**

**Presented by:
Phyto Cultivation LLC- Medical Cannabis Cultivation Center #MMP00064
Grace Hyde, Andras Kirschner, Ed Weidenfeld**

The District's legal medical cannabis licensees, the most diverse group of owners/operators in the country, are getting crushed by the city's \$600,000,000 illegal market and are in dire jeopardy.

A comprehensive approach is required to save the District's medical cannabis market, reinforce it to meet the challenge of a recreational market, and prepare for transition to a regulated adult-use framework. If the District fails to take the following actions, regulated cannabis, in either medical or adult use markets, is unlikely to survive. We recommend the following changes to the two cannabis bills before the Council, B24-113 and B24-118.

B24-113 Medical Cannabis Amendment Act of 2021

1. Repeal ABRA registration requirements for patients and caregivers. This outdated, burdensome, time consuming and expensive process has deterred patients from entering and remaining in the medical marketplace. By repealing these requirements, the District will maintain and rely on the professional relationship between healthcare provider and patient; a process no different than acquiring any other type of medication. Medical dispensaries will continue to collect patient demographic information and track their purchasing using their unique government issued ID number. This idea is overwhelmingly supported by patients and industry workers, with over 1000 letters and signatures collected in favor of repealing ABRA registration in the last week.
2. Provide qualified i71's a "pathway to legal" and enact civil enforcement measures against the illegal market. Civil enforcement (fines, no jail) will effectively combat the illegal market, estimated at 17x the size of the medical market. Unfettered access to the illegal market is a major reason that patients do not bother to pay and register with ABRA to



access the medical market. These civil penalties will be limited to fines and revocation of basic business licenses; they will not result in jail time, nor will they prohibit qualified i71 operators from a “pathway to legal,” by applying for medical or recreational social equity licenses in the future.

3. Permit the legal medical licensees to deduct ordinary and necessary business expenses on their District of Columbia tax filings, items currently prohibited by federal tax code 280E on federal tax filings. States including Colorado, Oregon and Colorado have already begun this practice to help alleviate the significant tax burdens that legal operators bear, unlike the illegal market actors.

B24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021

1. Explicitly and immediately transition all existing medical licenses into the new class of medical-recreational license with no additional application necessary. These operators have established the legal market over the past eight years, and their ability to immediately pivot to serving both medical and adult use markets is crucial to the success of the market and buy-in of the consumer. “Grandfathered” license status shall include distribution rights as well as transfer of license rights in the event of the sale of a license, consistent with the terms of the initial corporate and licensing agreements.
2. Remove the distributor license class and replace it with an alternate ancillary license class: third party delivery services that can be used B2B by cultivators, or B2C by dispensaries. Distributors are unnecessary with DC’s limited geographic footprint and will only result in higher prices, further discouraging purchasing on the legal market. A third-party delivery service will have minimal startup costs, providing ownership opportunities for social equity applicants, including i71’s, with limited access to capital.
3. Give preferential status to applications with a business plan for cannabis workforce training programs. Too often, even well-educated applicants are overwhelmed by the learning curve of working with cannabis product – from the complexity to designing, building, and operating a cultivation and processing operation, to managing staff in a highly regulated industry with seed-to-sale tracking, rigorous security requirements, and record maintenance, not to mention the nuances of banking and acquisition of capital, as well as hurdles such as 280E tax liability. Workforce training programs are crucial to setting up future business owners for success in a regulated market and ensuring their sustainability in a challenging operating environment.
4. Provide a “pathway to legal” for CBE applicants by easing previous application requirements, such as securing real estate assets before receiving approval status, expediting the application review process, and releasing only social equity and grandfathered operators licenses in the first year of an adult use program.



5. Remove the sales tax requirement for medical patients, encouraging the continued participation in obtaining a medical recommendation.
6. Remove any distinction in recreational and medical tracking of product in either cultivation centers, manufacturers, or dispensaries. Multiple tracking systems is cumbersome and expensive; the only delineation needs to be made at the point of sale, differentiated by the tax rate the customer is charged.

Prelude to today's market crisis:

District voters passed Initiative 71 in 2015, which permitted the home grow, home use, and home share of small amounts of cannabis. The illegal market falsely claims they are operating under the terms of i71, however the Initiative did not provide a framework for any type of business structure or allow the current “gifting” of cannabis in exchange for goods and services.

i71 allows

- District residents access to a small supply of cannabis (up to 2 ounces) through their own home grow efforts (up to 6 plants)
- District residents to give away 1 ounce to a friend without remuneration

i71 did not authorize:

- A recreational commercial market with store fronts, delivery services, and pop-ups
- Commercial, public advertising
- The *gifting* of cannabis for *goods* such as stickers, t-shirts, or buttons
- The import of cannabis from outside the District of Columbia
 - Nearly 100% of the products sold by illegal market is grown outside the District
 - Cannabis that is often contaminated and unsellable on the west coast follows a well-organized criminal delivery system to DC

Previous efforts to shut down the illegal stores through criminal charges have been unsuccessful, as these cases are often dismissed in an overburdened court system. Civil penalties would effectively deter these types of operations without sending any District residents to jail or prohibiting them from a “pathway to legal” or applying in future legal license application rounds.

Reality of the market today:

DC's legal cannabis owners and operators represent the most diverse and locally anchored group in the country. Over 80% are DC residents, 36% are people of color and 36% are women. The demographic makeup of the illegal market is unknown because that information is not collected. The legal operators view social equity and inclusion of marginalized people in the legal



marketplace as a moral imperative and look forward to a solidified social equity program built upon the provisions of the “Fifty Point Preference Clarification Emergency Amendment Act at of 2021.”

However, the District’s medical cannabis program is in danger of extinction. Patient registration plummeted 50% on September 1, 2021 after emergency waivers permitting patients with expired registrations to purchase medical cannabis was not renewed. It is imperative that the Mayor and the Council take immediate action or the District, in addition to witnessing the demise of the medical program, will likely never see a legal adult cannabis market.

We are hemorrhaging patients to the illegal cannabis market for two primary reasons:

1. Burdensome, outdated, and expensive ABRA registration requirements create significant barriers to accessing the legal medical market compared to no registration requirements and easy access to the dangerous and untested illicit market.
2. DC, along with California, is the only jurisdiction in the country that allows the illegal market to operate as if they were legitimate business with pop-ups, storefronts, delivery services, and public advertising with little fear of arrest or enforcement.

The city’s illegal market is estimated at \$600,000,000 – 17x the size of the \$35,000,000 legal medical market. That’s \$600 million worth of out-of-state, untested, unsafe, untaxed, unregulated cannabis sold by illegal shops - they aren’t “gray market” or “i71 compliant.” There are no District laws, regulations or Initiatives that authorize what these illegal operations are doing. It’s also leaving over \$36,000,000 in tax revenues uncollected by the District, not to mention company contribution to programs like unemployment benefits, paid family leave, and more.

A primary reason for low patient retention is ABRA’s registration requirements for both healthcare providers and their patients. Recent temporary measures by ABRA and the Council are only band aids and will not stop the collapse of the legal market. As ABRA’s own records confirm that patients are not re-registering. They are following the ads and buying from the easily accessible illegal market. Once they leave the medical program for the illegal market, it is nearly impossible to get them back.

Repeal ABRA registration requirements. Allow District residents to purchase safe products from a medical dispensary with a recommendation from a District healthcare provider (now available with telemedicine) and government issued ID. Louisiana repealed registration and the number of medical patients soared by over 350% in a year!



It should be no more difficult to obtain medical cannabis than it is to fill a prescription for opioids.

ABRA has expressed a concern about the loss of revenue from registration fees and legal operators have offered to help. Establishing the fiscal impact of repealing declining registrations is the first step. The DC Cannabis Trade Association members agreed, without dissent, to consider raising their annual fees, along with tax revenue usage, annual ABRA appropriations, and ABRA cost savings as sources to cover any lost and required revenue.

Looking forward:

It isn't too late and there is a path that will lead to a safe, healthy, robust legal cannabis market for consumers, operators, and the District. However, that path isn't guaranteed, and time is running out.

The District needs to accept today's reality and commit to specific immediate actions to repair the damaged existing market by repealing ABRA registrations. Residents need an adult recreational market built on a robust and realistic social equity policy including a "pathway to legal" for qualified illegal operators, in particular for returning citizens, and acknowledges current legal operators as the critical foundation to a future adult market through comprehensive grandfathering provisions.

As the legal market is being launched, it is essential that the illegal market be addressed and shut down. If not, the District is likely to follow the example of California, the only other jurisdiction in the country that allows illegal businesses to operate without constraint or enforcement, which is crippling their legal market. Because DC's illegal market operates with impunity and ABRA registration is a barrier to access the legal market, this is the environment in which licensed operators must compete. But there really is no opportunity for the legal medical program if the illegal market has all the advantages. If there is no effort to thwart this threat, reduce the barriers to patient access, and properly establish and support the adult market, the District's legal cannabis market, both current medical and future adult use, will collapse.

JULYAN & JULYAN

DAVID S. JULYAN

**TESTIMONY BEFORE THE COUNCIL OF THE DISTRICT
OF COLUMBIA COMMITTEE OF THE WHOLE, COMMITTEE ON
JUDICIARY & PUBLIC SAFETY, and
COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT
Public Hearing - November 19, 2021**

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of
2021**

Presented by: David Julyan

Mr. Chairman and members of the Council, my name is David Julyan. I am an attorney and Phyto Cultivation is my client.

I want to address the city's illegal market and i71.

The city's illegal market is estimated at \$600,000,000 – 17x the size of the \$35,000,000 legal medical market. That's \$600 million worth of out-of-state, untested, unsafe, untaxed, unregulated cannabis sold by illegal shops. And there isn't a "gray market" nor "i71 compliant" cannabis sellers. There are no District laws, regulations or Initiatives that authorize what these illegal operations are doing. It's also leaving over \$36,000,000 in tax revenues uncollected by the District.

Here are the facts about i71.

District voters passed Initiative 71 in 2015, which permitted the home grow, home use, and home share of small amounts of cannabis. The illegal market falsely claims they are operating under the terms of i71, however the Initiative did not provide a framework for any type of commercial business structure nor allow the current "gifting" of cannabis in exchange for goods and services.

i71 allows District residents access to a small supply of cannabis (up to 2 ounces) through their own home grow efforts (up to 6 plants) and to give away an ounce to a friend without remuneration

i71 did not authorize a recreational commercial market with store fronts, delivery services, and pop-ups:

i71 did not authorize public advertising:

i71 did not authorize the *gifting* of cannabis for *goods* such as stickers, t-shirts, or buttons; and

i71 did not authorize the import of cannabis from outside the District of Columbia.

Those four unauthorized, illegal acts are the core of the i71 business model.

Previous efforts to shut down the illegal stores through criminal charges have been unsuccessful, but they

are also inappropriate and unnecessary. While the success of a legal market requires shutting down the illegals, it doesn't require jail sentences and criminal records.

It is appropriate, once there's a "pathway to legal" for the illegals as explained in earlier testimony, for the District to begin an aggressive civil enforcement program that is limited to fines and, for repeat violators, revocation of business licenses and permits. No jail, no criminal records; just well-publicized public policies and laws that provide for the "pathway to legal" and a safe, regulated legal market where everyone is treated equally and fairly and where your constituents have easy access to a safe product from an operator who is in compliance with all relevant District laws and regulations.



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November 19, 2021

Testimony

of

Nikolas R. Schiller

Co-Founder of DC Marijuana Justice

**Before the Council of the District of Columbia's Committee of the Whole, Committee on Business
Development, and Committee on Judiciary and Public Safety,
Concerning Bill 24-113, Medical Cannabis Amendment Act of 2021,
and Bill 24-118 Comprehensive Legalization and Regulation Act of 2021**

Thank you Chairman Mendelson, Chairman Allen, and Chairman McDuffie and the rest of the DC Councilmembers present for holding this historic hearing today. I would first like to offer my gratitude to the Chairmen, Councilmembers, and their staff for writing two great pieces of legislation. The tax & regulate legislation has come a long way from when it was first introduced back in 2013 by former Councilmember Grosso. However, both of these pieces of legislation before us today have some issues that I feel compelled to address during my 3 minutes today.

First, the types of licenses being legislated is too limiting. Some states have dozens of types of licenses depending on the size and scale of the business. Right now in DC there are over 20 different types of alcohol licenses available, which I have included with my testimony. Why are there not over 20 different types of licenses being suggested in this statute? A Bud & Breakfast license for AirBnB hosts, Nursery License to let adults buy cannabis seeds and clones of varying sizes from existing garden supply stores, on-site consumption license with food, with music, with alcohol, with over 42 patrons, with over 420 patrons. You get my drift. I urge the Council to drastically expand the number of licenses being offered and lower the license fees. The costs for alcohol licenses should be the model. We want parity.

Also attached to my written testimony is a “Cottage Industry” license that I drafted. I believe it will provide a low-cost, low-barrier way for more adults to engage in the lawful cannabis market. Right now there are thousands of adults who are lawfully growing cannabis in their homes thanks to the rights afforded to them through Initiative 71. However, these adults have no way to lawfully sell their extra cannabis to other adults or licensed businesses. This proposed license provides a way for DC’s small-time growers to do so at Farmers Markets or to other licensed dispensaries. There is a license to sell alcohol at Farmers Markets, therefore the same should be available for cannabis grown in DC. Moreover, adults who live in government subsidized housing are prohibited from growing their own supply of cannabis. Under my proposed “Cooperative Grow” endorsement, an adult with a Cottage Industry license can lawfully increase the number of plants at their home and allow up to 4 other adults to grow cannabis within their home.

Third, the medical cannabis program should be reformulated from the ground up. Right now the Medical Cannabis program is failing because it was designed to be extremely restrictive. In 2010 the DC Council was afraid of Congress, so everything I cautioned against when I testified back in February 2010 has come to pass. Too few plants, too few cultivation centers, too few dispensaries, too high of a cost for customers, illegal investigations based on a doctor’s free speech activity. There should be no caps on the numbers of cultivation centers or dispensaries. Is there a cap on the number of liquor licenses in DC? No DC adult needs to get a recommendation or a card from the DC government, unless they absolutely need one, like a minor. I can buy drugs more lethal than cannabis right now at CVS without a recommendation or prescription. More people die every year from acetaminophen, than cannabis. These legal convenience store drugs are called “Over The Counter” medicines. It’s time cannabis in DC is treated this way. Paying a doctor to give you a recommendation, paying the DC government to get a card, and paying taxes on medicine, are all impediments to safe access to quality cannabis. The DC government will make more tax revenue, employ more adults, and provide more cannabis to adults when the medical program becomes an over the counter program and this will only happen if the limiting statute of DC’s medical cannabis program is overhauled.

Fourth, this legislation does not address the number one reason adults are still harassed by the police. Public consumption of cannabis needs to be legalized immediately. Since March of this year, it’s been legal to consume cannabis wherever one can smoke cigarettes in New York City. Namely, sidewalks. The sky hasn’t fallen and thousands of people haven’t been arrested. The same needs to happen in DC immediately. Refocus police

resources on criminals perpetrating crimes instead of adults taking a puff or two. Public consumption of cannabis is already happening now in DC and it's your job to stop making people criminals for something benign as smoking a blunt on the sidewalk. There are thousands of DC residents who cannot consume cannabis at their homes and at the very least, they should be able to consume cannabis wherever people are allowed to smoke cigarettes. On-site consumption lounges are good, but with the coronavirus pandemic still ravaging our neighborhoods, outside is better.

Finally, the writing is on the wall that there is a crackdown coming with respect to cannabis "gift shops" currently operating in DC. This legislation needs to give every cannabis-related business currently operating in DC the opportunity to get a license. Right now ABRA is holding back the licenses when it could be issuing them on a regular basis. Worse, the 18 month delay built into this legislation for ABCA to issue implementing regulations means the current monopoly held by the medical cannabis licensees will continue for the foreseeable future. And during that time, numerous DC small businesses will be raided and shut down. The alternative, however, is amnesty. Amnesty is needed so any unlicensed business can become licensed within the next year and there needs to be a moratorium placed on any raids on DC's "gift shops." Amnesty is the best gift you can give and it doesn't cost you anything. Please consider it.

Thank you for your time and I welcome any questions you may have.

Good morning/afternoon members of the Council. Thank you for giving me the opportunity to speak today on the issue of standards and safeguards, and thank you for your work on writing this piece of legislation. DC has been waiting 7 long years for this day. My name is Kris Furnish, I'm a resident of DC in Ward 2, and I'm a community activist who believes in doing the right thing for the people in our communities. Today I would like to talk about testing for cannabis products.

There are two primary reasons why cannabis products should be tested in accredited cannabis testing labs: to verify the products are safe for human consumption; and to give consumers guidance on the potency of the cannabis product they are using.

Yet, since cannabis was legalized here in DC for medical and adult use, not a single accredited facility is in operation to test cannabis for heavy metals, and dangerous, sometimes deadly, chemicals and pesticides. The use of chemical pesticides and fertilizers on cannabis must be documented and if detected, these tainted products should not be allowed to be sold in dispensaries, especially in the case of medical patients. In addition, mold and fungal contaminants in cannabis also can lead to health issues, especially patients prone to asthma, allergies, or immune-system-compromised.

We must ensure cannabis is safe from these contaminants. Just like most products available for human consumption, there are so-called "acceptable" limits that agencies have set for each compound. I would argue that any trace of these harmful compounds is unacceptable for human consumption, but unfortunately some chemicals are permitted by regulatory agencies to be sprayed on agriculture products, although banned in other countries that are more prone to health and safety standards.

The bottom line is cannabis must be tested and the results should be listed in the products certificate of analysis. Labeling would ensure the products we consume are free of unwanted dangerous chemicals that could make them very sick. Take for example this case: a mother in DC who wanted to give her child safe, craft-cultivated cannabis grown at home to treat her daughter's epilepsy, however the law forced the mother to purchase so-called medical cannabis from a licensed medical dispensary -- one with untested products. The cannabis was indeed found to have tested positive for certain chemical compounds that triggered a severe seizure, and the child had to go to the hospital.

This never would have happened had this woman been allowed to give her child safe, tested cannabis she grew in her own home, that of course wasn't sprayed with chemicals or potentially laced with drugs, or had the cannabis she purchased from the medical dispensary been tested.

I urge the council to amend the proposed legislation to add third-party testing facilities, and incentives for cultivators to grow clean, and environmentally sustainable cannabis that is tested and does not contribute to climate change. We must move away from indoor cultivation, as it relies too heavily on fossil fuels which we all know contributes to climate change.

Another concern of mine is there needs to be programs set up to help people who need guidance in starting a business. Entrepreneurs who've been disproportionately harmed by the failed war on drugs shouldn't just be limited to preferential treatment in the cannabis industry. A criminal record for cannabis kept people out of all industries for work, not just the cannabis industry. These individuals need guidance on how to properly apply for a license, and how to set up a business, otherwise we are just creating a system that sets people up for failure. A portion

of the funds generated from legal cannabis sales should be allocated towards these types of programs to help people get started. Restorative justice and reparations should be at the forefront of this fight, because after all, the war on drugs tore children from their families.

And one last point I feel is important to mention is that we need real expungement of records for District residents who've been negatively impacted by prohibition. Currently, DC only seals records, and that's not good enough. Cannabis related charges should be automatically expunged from a person's record. No one should have to file paperwork, pay for it, and wait, it should and can be done automatically.

Thank you.

Kris Furnish
Co-Founder, MDMJ
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(720) 607-8369



November 19, 2021

**Testimony of Rachel Ramone Donlan
Consumer Director of DC Cannabis Business Association
Before the Council of the District of Columbia Committee of the Whole**

Pertaining to

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Legalization and Regulation Act of 2021**

Thank you for your time and consideration. This bill has the potential of solving all of the issues that the cannabis community has had to deal with in other states. We are here, today, supporting, united in our message to you from DCMJ/DCCBA. We want to take pride and assist you in making it the most comprehensive and socially beneficial bill that the world has ever seen.

As the Consumer Director of DCCBA, some of the most important issues are covered in this bill. No family should be torn apart because of testing positive for cannabis on a drug test.

Other states will look here to see how to truly legalize cannabis in such a way that arrests will stop. The process needs to be so **accommodating** to those that have been targeted by the harmful war on drugs that there is **no excuse not to do it the legal way**. Anyone that wants to sell any amount of cannabis should be allowed to do so, legally. In this way, we can ultimately protect **consumer safety**. Be it through testing or through not having to meet in an unsafe environment or through fear about being arrested, themselves for buying cannabis. We want stores, delivery and farmers market sales. We do not want fees, filing forms or appointments to buy cannabis.

As a consumer, I want inclusion. I do not want to simply see just **one** or two disabled-elderly-POC-female-DC native gain a license amongst a sea of the obvious. We want to see many more than one or two.. We want to see different faces representing the District because the laws here should represent the landscape. **Women need to specifically be added in the definition of inclusion and inclusion needs to be added anytime the phrase "Social Justice" or "equity" is mentioned. And they need funding to succeed.**

Thank you for including that unless specifically ordered, a positive drug test will **not** send someone back to jail. Otherwise, this tears apart families.

When I tested falsely for cannabis in a custody dispute, my son was given to my abuser. He later went to jail for child endangerment and for drunk driving with his children in his car. The government put my child in the hands of a dangerous abuser because he said that I smoked cannabis when I didn't. . My 29 years old son wants you to know that he supports my efforts here, today.

Before I conclude I would like to address the rights of **tenants of public housing**, I understand that the issue of housing and cannabis cultivation and use of cannabis in federal housing has been conveniently passed off as federal jurisdiction.' However, it needs to be said that, since all of this that we are discussing today is technically illegal at the moment under federal law, **D.C. can and should publicly and defiantly challenge the validity of the law** and stop punishing its residents in federal housing for using cannabis in the privacy of their homes. I urge the city government to **place a moratorium on evictions for using cannabis** in one's own home, especially amid a pandemic that demands people spend the majority of their time in the safety of their home. It's inhuman to throw people out of their homes simply for using this miracle plant that is otherwise legal for everyone else. **And tenants of public housing are not alone. Veterans, who are denied VA benefits to cover the cost of their medical marijuana, are also very well aware of these unfair constraints placed on people who are among the most vulnerable among us.**

Look to Malden, Massachusetts for an example of how it's been successfully done. People in federal housing include the financially challenged, disabled people, the abused, veterans and students. None of them should be left out in the cold for something that you are making legal.

There should be no tax on medical cannabis. This idea is not new and will offer support to the medical cannabis program.

Police should not have audit power over license holders.

I completely support cottage industry as presented by DCMJ/DCCBA, specifically, Adam Eiding, Nikolas Schiller, Lisa Scott, Kris Furnish, DC Scrogger,

Thank you for your time.

Sincerely,

Rachel Ramone Donlan
Former Director, Massachusetts Cannabis Reform Coalition//NORMI,
Co-Founder, VAMJ
Activist, DCMJ
Consumer Director, DCCBA



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November 19, 2021

**Testimony of Adam Eiding
Initiative 71 Proposer
Before the Council of the District of Columbia Committee of the Whole**

Pertaining to

**Bill 24-113 Medical Cannabis Amendment Act of 2021
Bill 24-118 Comprehensive Legalization and Regulation Act of 2021**

Thank you Chairman Mendelson, Chairman Allen and Chairman McDuffie and the rest of the DC Councilmembers present for affording me this opportunity to offer ideas on these bills before us regarding the sale of cannabis in the District.

Will skip during the hearing

For those of you who don't know me well, I have been an active cannabis advocate since the first medical cannabis effort in DC with Initiative 59 in 1998. I was the co-founder along with Alan Amsterdam of Capitol Hemp in 2007, which was raided by DC police for alleged sales of bongs and vaporizers intended for cannabis consumption in 2011. Due to public outcry and community organizing, long overdue changes to DC law were realized with passage of Initiative 71 which proved strong public support for legalization of cannabis when it was passed with 70% of the vote in 2014. Ultimately it was DC Voters who stopped about 5,000 marijuana arrests per year even after half measures such as decriminalization and DC's medical cannabis program were established.

While Initiative 71 could not spend money due to District rules preventing Initiative expenditures, we could give people the right to grow six cannabis plants at home, keep what they grow, gift it to other adults and carry two ounces outside the home. We felt then, as did Chairman Mendelson, who once said to me in response to a question at a public event around that time that we were, **"On the path to legalization."**

In an unjust turn, Representative Andy Harris's budget rider prevented the creation of an adult cannabis marketplace and for the DC Council to establish guardrails as well as opportunities. Now, thanks to friends in Congress and public protests DCMJ organized on Capitol Hill, we are about to get legislative authority back over Schedule I drug penalties. As Treasurer for Initiative 81 last year, I saw first hand how DC voters are ready for broad-based drug policy reform, especially when we know there are low-cost and readily accessible therapeutic uses of formerly contraband plant medicines.

Typically, Cannabis grown at home is of high quality and completely medicinal. Thanks to our ballot initiative medical cannabis program cultivators do not hold a monopoly over cultivation in DC - unless you are a dispensary with no options to buy from anywhere but the program's cultivation centers. Cannabis like most plants belongs to everyone and should be grown at home to save money and could even provide a supply for DC's medical program dispensary operators so as to increase the variety they offer and for social equity. Growing medicine is a very healthy process in its own right. Growing cannabis promotes a

nurturing lifestyle that is good for your soul and society. I'm am thankful this bill doesn't remove any home grow rights, but it should add some.

Reading at Hearing

I believe the DC Council has put forward a thoughtful vision for how to allow sales of cannabis in the Comprehensive Legalization and Regulation Act of 2021 but this bill needs to be more practical by including a **Cottage Industry section (see below for amendment)**, that will encourage participation from small home growers who are already diverting some of their cannabis for supplemental income to friends, family, and often terminally ill people they met through underground networks of caregivers. Let's embrace the already established cottage industry around home grown cannabis by offering licenses at fair prices and no limit on the number of these cottage industry licenses available.

For far too long lawmakers have looked to cannabis as big business but in fact it's the greatest wealth creator for the most people as a cannabis cottage industry. Albeit, often outside legal boundaries, It's a viable home based industry in the US and is already very democratic, except people of color are still bearing the brunt of law enforcement.

It is not fair to legalize sales but to tell the people currently selling most of the cannabis underground in DC there are no licenses available for them. I predict we will end up with more arrests for sales after this wave of legalization if those operating with the belief Initiative 71 protects them legally now are not licensed under the new law. We can create opportunity for all and stop picking the winners with overregulation that takes cannabis wealth creation away from social equity operators now. A cottage industry license as we are proposing allows people to sell at farmers markets or to other licensed retailers.

Another major fix in the bill needed is the double standard towards out of state ownership outlined in line 666. Currently the law does not restrict out of state ownership for medical program operators but the new adult market will require 60% ownership by a DC resident of 6 months. This likely violates the commerce clause and other states have tried this and have been challenged and lost. While I agree with the intention to promote local ownership I am concerned this actually creates another advantage for existing medical program operators at the expense of social equity and minority ownership opportunities for new applicants. For example, a person with no investment capital will never get a foot in the door if 60% ownership is the requirement. We have a regional business economy with many people in Maryland and Virginia creating jobs in DC and vice-versa through investment. We should not limit access to investment capital for DC residents. Please consider minority stake partnerships as valuable ownership opportunities for DC residents who lack start up capital.

Because DC locked out most of the applicants for medical licenses when we could have had numerous new businesses, we are not prepared for adult sales and alternative channels have become widespread. During DCMJ's public zoom reading of the Comprehensive bill many asked for low cost licenses, hence the Cottage Industry amendment. In conclusion, I have listed below a line by line analysis of major and minor fixes to the bill 24-118 that we gathered from DC's cannabis community zoom process.

Thank you for your time and consideration of the Cottage Industry Amendment.

Suggested Additional Section for a Cottage Industry
§ 25-22XX. Farmers Market Endorsement

“(a) A Farmers Market Endorsement is a license issued to Cottage Industry Licensees or Microbusiness Licensees that authorizes the licensee to sell the cannabis, cannabis products, and cannabis infused edibles at Farmers Markets in the District of Columbia.

(b) A Farmers Market Endorsement shall not be awarded to adults or companies who own or work for individuals or companies with Dispensary Licensees

(c) The fee for a Farmers Market Endorsement shall not be more than \$250 per year

(d) A label shall be affixed to all products sold at that includes a notice that the product has not been tested, unless such product has been tested at licensed facility

§ 25-22XX. Cottage Industry License

“(a) A cottage industry license shall authorize the licensee to grow and produce medicinal and/or recreational marijuana within their residence for sale and delivery at wholesale directly to manufacturers, testing facilities, retailers, and farmers markets

“(b) The holder of a cottage industry license is required to obtain a Farmers Market Endorsement in order to lawfully sell their cannabis directly to adults at Farmers Markets

“(c) The testing of cannabis grown by Cottage Industry Licensees is required for any batch over 6 ounces of dried cannabis

- (1) A batch in this section is the cannabis produced from one plant
- (2) If the cannabis plant yields less than 6 ounces of dried cannabis, testing is not required
- (3) The amount that shall be tested is no less than 1 gram per plant

“(d) A Cottage Industry License shall have four (4) tiers

- (1) Tier 1, which allows licensee to grow up to 24 cannabis plants
- (2) Tier 2, which allows licensee to grow up to 48 cannabis plants
- (3) Tier 3, which allows licensee to grow unlimited number of plants within a contiguous footprint of no larger than 20'x20'
- (4) Tier 4, which allows licensee to grow unlimited number of plants within a contiguous footprint of no larger than 40'x40'
- (5) ABCA shall make fees for each of these Tiers no less than \$42 and no more than \$420 dollar

“(e) Adults who are not permitted to grow or choose not to grow cannabis at their primary residence may join a “Cooperative Grow,” with one or more adults, who do not live in the resident’s home.

- (1) A “Cooperative Grow” is permissible with any tier of Cottage Industry License
- (2) The annual fee for the “Cooperative Grow” Endorsement shall be no more \$420 per year and shall be paid by the owner or lessee of the home where the “Cooperative Grow” is registered
- (3) The “Cooperative Grow” Endorsement shall be posted with 15’ of the cannabis plants
- (4) Any adult who joins a “Cooperative Grow” must sign an affidavit stating that they are participating in the “Cooperative Grow” and are not growing cannabis elsewhere in the District of Columbia
- (5) The affidavit must be posted within 1 foot “Cooperative Grow” Endorsement
- (6) An adult who is a member of a cooperative grow is not permitted to grow cannabis at their own home

- (7) An adult who is found to be growing cannabis at a cooperative grow and their own home may be fined no more than \$420
- (8) No more than 4 adults, who do not reside at the home with “Cooperative Grow” Endorsement, may join the “Cooperative Grow”
- (9) The adult who is the owner or lessee of the private residence where the “Cooperative Grow” is registered may charge members of the “Cooperative Grow” the costs associated with electricity, water, and rent.

“(f) ABCA shall be required to inspect, on an annual basis, the residence of a Cottage Industry Licensee to ensure the License is posted within the home, the licensee is compliant with section (d) and (e), and the cannabis is being grown in a safe & lawful manner

“(g) ABCA may visit the home of Cottage Industry Licensee unannounced during normal business hours

- (1) If no one is home, a warning will be provided by certified mail
- (2) After the second attempt to inspect premises is denied or prevented due to resident not being home, ABCA has the discretion to revoke the Cottage Industry Licensee
- (3) Licensee may protest revocation of license with OAH and if successful have license reinstated

“(h) A Cottage Industry Licensee shall allow the holder to utilize their home as a storefront or to conduct business in which no more than 4 adult customers, who do not reside in the home, may enter the home on a daily basis.

- (1) After an ABCA investigation finds more than 4 individuals, who do not reside in the home, and are not members of the “Cooperative Grow” visit the licensed home on a daily basis, ABCA shall issue a warning by certified mail
- (2) After the warning is issued and another ABCA investigation finds more than 4 individuals, who do not reside in the home, and are not members of the “Cooperative Grow” visit a licensed home on a daily basis, then ABCA shall have the authority to revoke the Cottage Industry License and the licensee shall not be able to apply for new license for one calendar year from the date of the revocation

Additional requested change to the bill based on DCMJ’s three part public reading of the entire bill.

Number refers to line

LINE 8 - 13: A licensee shouldn’t have to wait 2 years to apply for on-site consumption.

(b) Smoking in public spaces should be allowable wherever cigarette, cigar, and tobacco can be smoked.

LINE 38, and 18, [386 397, etc]

after “Social Equity Applicants” add “and for Inclusion of Women” “define inclusion”

LINE 158 - Resident of impacted area for at least 2 years.

LINE 210 - Cannabis should be able to be sold in glass or clear containers so that customers can view the cannabis before it is purchased.

LINE 210 ... This is important. We visited New England states with legal cannabis sales this summer and frequently couldn't see the flower we were buying. At some places, all that was available was a menu. Couldn't see the bud at all. This is a problem.

307 - DCMJ engages in advocacy and has given out joints to people who show up at our demonstrations and even at Covid vaccination centers. Why can't cannabis be used in advocacy, it already is and to restrict is an infringement on free speech rights for cannabis organizations.

308 etc - As people who are building a business on the Initiative 71 loophole, we believe the "gifting" loophole should be stopped. But the entry costs must be reasonable, especially for those from disadvantaged areas.

325 - Cannabis Equity and Opportunity Fund should be seeded funded with money from MPD budget in order to enable operation of the fund at the outset of the legislation being enacted

353 - How do you help SEA's BEFORE the revenue is captured?

392 - Amend so for every social equity application business that is sold, a new social equity license needs to be made available.

477-no sales tax on medical as incentive for customers

480- There should be Nursery License included in this section – A business that only provides juvenile plants to wholesalers. Does not sell retail, doesn't grow to flower. The Seed To Sale tracking system does not work if you are cloning, as there are no seed. In order to standardize large quantities of cannabis plants, preserve genetics and guarantee free from contamination, there is going to need to be micropropagation (cloning in test tubes). Seed to Sale is an issue both because there are no seeds, and because there is expected die off with seedlings

492 - The types of cultivation center licenses need to spelled out in the law. There is only one cultivation center license for \$7,000.

508 - There needs to be more than one microbusiness license. A 3,000 square foot license or a 300 square foot license should cost less

544 - This section is overly restrictive. Adults should be able to consume cannabis any place where tobacco can be consumed.

552- Testing Facility License – There is no clause specifically allowing the business to charge for services

565- Research And Development Facility License – There is no clause specifically to allow commerce for services

666- Drop the section requiring 60% local ownership.

666- Make the ownership requirement apply to medical dispensaries too

697 - Except medical marijuana opps?

825“(c) The Board shall provide notice in the D.C. Register at least 30 days in advance of
826 accepting any new applications, except for testing facility licenses, regarding (1) the number of
827 licenses in each class or ward being made available, and (2) where to find information regarding
828 the license application process.

I can understand the need to 1631 - quickly add more testing facilities, but I don't know why (2) is necessary, I would like to know who else is applying

848 - No application fee

855 - Change fees add more categories. Cottage Industry Licenses.

870 - Create more license categories now

926 - REMOVE - We can look into liquor stores. Why are hiding cannabis? We can go inside of breweries to see the beer being brewed, why not be able to see cannabis?

929 - MPD should not have access to company books without a warrant.

938 - Currently cannabis is sold without testing, so a testing facility must be made operational ASAP

959 - Why not have the same hours as alcohol sales?

988 - The amount of THC in infused foods should be higher.

1008 -- More cannabinoid information should be made available. Not just THC & CBD

1023 -- REMOVE - Free Speech

1025 - Liquor stores have neon lights - Why should cannabis be treated differently?

1034 - REMOVE - Arbitrary

1043 - REMOVE - Billboards are normal marketing for alcohol businesses

1075 - REVISE -- too vague. Under the influence of what?

1079 - A child can go into a liquor store with a parent, why not a dispensary?

1100 - An 18 year old can serve alcohol in DC, why not be able to work at a dispensary? Or if you a medical card holder between 18-20, why not be able to work or volunteer?

1630 - amends the DC code on prohibited acts to allow the transfer of ONE clone, regardless of weight

1631 - Adds language to the DC Code prohibited act section to allow growing outdoors at your principal residence.

1170- a business won't know if someone is a section 8 voucher holder.

1307- 18+ or 19 if still in high school.

1354- Strike. Especially Perez any woman abc alcohol with cannabis education.

1364- No tax on medical cannabis. Seriously ill people should not be taxed and it would help the medical program to gain more customers if there were no tax on medical

1438 Strike

1478- Expunge any cannabis related conviction regardless of other charges

1495- very confusing

1500- Strike makes no sense when employers can't discriminate

1510- Is subjective and about alcohol not cannabis.

1530- Employers good faith? Strike

1554 and 1551 -this is good but if you are in medical program, you should be able to use cannabis

1630-clones should be 6/12

1632-GREAT!! But should be allowed access from the street if it's locked

**Written Testimony for Public Hearing on B24-0118
November 19th, 2021**

First, I would like to say that I appreciate the opportunity to submit testimony to the committee. I represent the DC affiliate of Smart Approaches to Marijuana (SAM), the leading non-partisan national organization offering a science-based approach to marijuana policy. SAM was founded by former Congressman Patrick Kennedy, senior editor of *The Atlantic* David Frum, and Dr. Kevin Sabet, a former White House advisor to the Obama Administration as well as two other U.S. Administrations.

I serve as the Director of Community Engagement and Outreach Outreach at SAM and have had the privilege to work as a community activist on issues of social justice here and at the national level. I'm also proud to be a 3rd generation Washingtonian, a firefighter here in the district and a graduate of GW.

I'd like to start out by commending those who have worked on this bill as I do believe it has the potential to be one of the most equity centric and justice-oriented legalization bills in the country so far. However, in speaking with residents, ANC commissioners, pastors and other community leaders, there are 2 concerns surrounding public health that we would like to bring up and hope that the council will consider and address.

1. The concentration of off-premise cannabis retailers in food deserts;
2. The ability of big tobacco and alcohol companies with a history of predatory marketing schemes targeting vulnerable populations to sell in DC

Concentration of off-premise cannabis retailers in food deserts

This first concern is one that I am aware of at a personal level and what initially got involved in this issue back in 2014 when DC passed initiative 71. At that time, the closest store to my house in any direction was a liquor store. I could go a little farther and get to a convenience store plastered with advertisements for alcohol in tobacco. The disproportionate concentration, and associated negative public health costs of off-premise liquor stores, has been well documented nationally ¹ and in DC ² as well. And while liquor stores and convenience stores selling liquor abound in Wards 7 and 8 in DC, there are still only 2 full-service grocery stores in Ward 7 and

¹ <https://publichealth.jhu.edu/2000/alcohol-off-premises>

² <https://www.georgetown.edu/news/report-shows-huge-d-c-health-disparities-makes-recommendations/>

just 1 in Ward 8 compared to 9-16 in Wards 1-6.³ The negative health impact of this oversaturation of outlets selling liquor can be brought into clarity when it is understood that the alcohol industry gets nearly 70% of its revenue from just 10% of consumers - those who drink on average 10 drinks a day. Or put another way, those who drink the equivalent of "...a little more than four-and-a-half 750 ml bottles of Jack Daniels, 18 bottles of wine, or three 24-can cases of beer...in one week."⁴ The Colorado Department of Revenue reports the same unequal consumption and revenue patterns in the cannabis industry with nearly 90% of the product being consumed by only 30% of users.⁵ With both alcohol and cannabis, the revenue comes predominantly from those who struggle with substance abuse and the disease of addiction - not those who consume responsibly. Despite this, or perhaps because of this, Colorado has more pot shops than Starbucks and McDonalds combined⁶, and in Denver, they are disproportionately located in minority communities⁷. While there are certainly ways for communities to protest and perhaps even revoke liquor and cannabis licenses for businesses in their communities, the process is often obscure and difficult to attain. This is also true even here in DC as has been evidenced by fights that concerned community members in wards 7 and 8 have had in attempting to get liquor licenses removed from problematic, oversaturated locations.⁸

To prevent repeating mistakes of the past with liquor stores, and acknowledge these injustices and the attending negative public health costs, we recommend an innovative way to curb the oversaturation of off-premise cannabis retailers.

In areas recognized as food deserts in DC, all new off-premise cannabis retailers that exceed the number of full-service grocery stores in the area must collect signatures requesting their business from 30 percent of the adults in the ANC district in which their business would be located. This would ensure that the store is meeting a genuine community need and desire that they be there, rather than simply preying and profiting from those battling substance abuse and the disease of addiction. This restriction would not apply to the proposed cottage industry businesses as introduced at this hearing by the writers of initiative 71.

³ <https://www.dchunger.org/news-releases/groceryreport2020/>

⁴ <https://www.washingtonpost.com/news/wonk/wp/2014/09/25/think-you-drink-a-lot-this-chart-will-tell-you/>

⁵ <http://ftp.caribstats.com/pubs/summary/2014-Colorado-Demand-Summary-Only.pdf>

⁶ <https://potguide.com/blog/2015/december/26/more-dispensaries-in-colorado-than-mcdonalds-starbucks-combined/>

⁷ <https://www.denverpost.com/2016/01/02/denvers-pot-businesses-mostly-in-low-income-minority-neighborhoods/>

⁸ <https://dcist.com/story/21/05/14/congress-heights-residents-protest-liquor-license/>

The ability of big tobacco and alcohol companies with a history of predatory marketing schemes targeting vulnerable populations to sell products in DC:

The disproportionate presence of tobacco and alcohol products, stores and advertising in disadvantaged communities was not an accident. In the lifetime of everyone here, R.J. Reynolds executives said, "We don't smoke that s**t. We just sell it. We reserve the right to smoke for the young, the poor, the black and the stupid." Now anticipating and lobbying for federal legalization, major alcohol brands have already invested billions in marijuana including Heineken⁹, Molson Coors¹⁰, Blue Moon¹¹, Corona¹², and cannabis investors proudly say this is only the beginning¹³. Big Tobacco isn't standing by either. In 2018, Altria, parent company to Phillip Morris, invested over a billion dollars in marijuana and subsequently invested another several billion in Juul, the E-vaping company that is now being investigated by the FDA for their marketing practices which have corresponded with a near epidemic of teen vaping. These companies are irresponsible, unrepentant, and poorly regulated even in 2021. In acknowledgement of the public health harms these companies have enacted, particularly in disadvantaged communities, ***no big tobacco company or national alcohol conglomerates shall be allowed to sell any cannabis products in DC. The terms "Big Tobacco" company and "national alcohol conglomerate" can be more specifically defined by the proposed cannabis regulatory agency in DC.***

Our organization and the community members and leaders that we represent welcome the opportunity to further discuss these concerns and possible solutions with the committee, the council as a whole, as well as other concerned parties here in D.C.

⁹ <https://www.businessinsider.com/heineken-marijuana-beer-taste-photos-lagunitas-2018-8>

¹⁰ <https://www.businessinsider.com/molson-coors-cannabis-beverages-could-be-3-billion-market-2018-10>

¹¹ <https://www.usatoday.com/story/money/nation-now/2018/11/12/blue-moon-brewer-brings-pot-infused-beer-market/1941682002/>

¹² <https://money.cnn.com/2018/08/15/news/companies/constellation-brands-cannabis-canopy-growth/index.html>

¹³ <https://www.youtube.com/watch?v=ZRx9FSTKiSU>

Good morning Chairman Mendelson, Councilmembers McDuffie, Allen and members of the three Committees holding today's hearing.

My name is Andrew St Cyr and I am both a business owner and a homeowner in the District of Columbia. I am also a proud alumnus of Gallaudet University. I am here today to represent our Deaf community in Washington D.C.

The D.C. area has one of the largest metro populations of Deaf and Hard of Hearing in the United States. Additionally, the world's only university for the Deaf and Hard of Hearing, Gallaudet University, is in D.C.

Unfortunately, even though Deaf people make up a large voting population in D.C., we make up a very small percentage of the City's business owners. Additionally, a significant majority of Deaf people receive Social Security income, and do not have equal access to employment opportunities.

The Deaf community is probably one of the most economically disadvantaged communities in the world. Despite this, D.C. continues to marginalize and neglect our community in initiatives that support underserved and economically disadvantaged populations.

Finding employment is also difficult for Deaf people because many business owners don't have the resources to accommodate Deaf employees by hiring interpreters.

Even today, for this hearing, the Council did not initially provide interpreters to allow us to testify. So, we had to fight for the opportunity to add our voices, actually our signs, to this important hearing about developing a regulated cannabis market in DC.

Due to these reasons, I would like to respectfully request that you consider D.C.'s Deaf and Hard of Hearing community when deliberating on the social equity provisions in the Chairman's bill. Specifically, I ask that the Council consider the following amendment:

The definition of "Social Equity Applicant" in §25-2101(28)(A) and (B) must be expanded to include Deaf and Hard of Hearing people. The bill before this Council broadly defines a Social Equity Applicant as a business being majority owned by either, an individual who has a resided in a disproportionately impacted area for at least ten of the last 20 years or an individual who has been arrested for or convicted of any offense that is eligible for expungement under this or individuals that are members of an impacted family.

The bill broadly defines a "disproportionately impacted area", as an area with high rates of poverty, unemployment, and criminal convictions or arrests. The term "member of an impact family" means, "an individual who has a parent, legal guardian, child, spouse or was a dependent of an individual who was arrested or convicted of any offense that is eligible for expungement under this bill."

Deaf and Hard of Hearing people are not expressly included under these definitions despite the fact that this population also experiences high rates of unemployment and are underrepresented as business owners in D.C.

Therefore, a new subsection (C) should be added to § 25-2101(28), that expressly qualifies a business that is majority or wholly owned by a person that is Deaf or Hard of Hearing, as a Social Equity Applicant.

Thank you for your consideration and for giving me the opportunity to testify today.

November 18, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business
And Economic Development
The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Dear Chairman Mendelson and Chairman McDuffie:

DC
Bill 24-113 24-118

Thank you for affording me the opportunity to present feedback and suggestions for the proposed bills. As a long-time resident of DC, an active member of the local community and a therapeutic-cannabis advocate, my input spans from many years of working with different professionals within the cannabis industry. While much of the bills approach many of the regulatory environment successfully, I hope that my overall understanding of the industry will help provide you with first-hand experiences that may help shape the proposed bills.

Summary:

Suggested amendments to the proposed bills 24-113 and 24-118 that pertain to micro-entities and cottage industry-sized businesses.

Goals:

- To demonstrate the impact of the proposed bills on micro-entities, as well as specialty-cottage entrants.
- To identify the economic and regulatory factors that impact micro-entities, with respect to Bill 24- 113, the "Medical Cannabis Amendment Act of 2021" and Bill 24-118, the "Comprehensive Cannabis Legalization and Regulation Act of 2021”.

Suggested Amendments:

1. Distance from Schools & Recreational Centers. *Ref: Regarding the provision (§25-2308*
2. Growth of the Cottage Industry. *Ref: Regarding the provision (§25-22XX)*
3. Regulation of Medical Cannabis Licenses. *Ref: Regarding the provision (§25-2101)*
4. Taxation on Medical Products. *Ref: Regarding the provision (§25-3001)*
5. Licenses for R&D and Nurseries.
6. Creation of Regulatory Measures for Cannabis Products.

1. Distance from Schools & Recreational Centers. (lines 770-774)

Increasing the distance from 300ft to 400ft from a school or recreational center places a huge burden on micro-entities within the DC area. The close proximity of public buildings, within DC does not allow for many locations in which to set-up a medical cannabis facility. For large-scale, small and micro-sized entities, the cost of renting a location becomes prohibitive. Landlords that may possess a viable location can push for a high and unreasonable cost for renting.

2. Growth of the Cottage Industry.

The current bill does not address the needs nor does it recognize the cottage industry entrant. Other states in which legislation allows for Legal Cannabis business recognize the Cottage-sized businesses, e.g. California have licensing and regulations that apply to cottage industry applicants.

3. Regulation of Medical Cannabis Licenses.

Increasing the number of licenses for cultivation and dispensaries can help alleviate any bottlenecks and allow for the medical cannabis program to flourish prior to full-scale cannabis adult-use adoption.

4. Taxation on Medical Products.

Medical products are not taxed. This rule of taxation law should apply to medical cannabis also.
e.g. California, Connecticut, Louisiana, Maryland, Massachusetts, and Minnesota New Hampshire, Pennsylvania, South Dakota, Utah, Vermont do **NOT** apply tax for medical cannabis.

5. Licenses for R&D and Nurseries.

In order to maintain tax revenue for the city and also ensure that cultivators are able to survive on a reliable income, licenses for both micro and larger scale licenses are required. Nursery licenses ensure that cultivation centers can sell directly to I-71 growers. R&D licenses will allow for entities to compete on a national level.

6. Creation of Regulatory Measures for Cannabis Products.

There is no current testing method to ensure the safety of the cannabis product. Testing will identify the levels of plant growth regulators, pesticides, herbicides, and microbials that could compromise the health of the consumer.

This act provides the optimal platform for a successful roll-out of cannabis related businesses in DC. By applying a regulatory framework that addresses the needs of not only micro and cottage sized businesses it enables the quality of the therapeutic medical cannabis available for adult consumption. The application of this Act will enable the end of the gray market and also help those members of the community who have been identified by the social equity bill. I thank the council for the opportunity to provide input, in order to better the current legislation under consideration.

Respectfully Submitted,

Alan Amsterdam,
Certified Ganjier, Owner of Capitol Hemp & Co-writer for proposal of Initiative 71, first and only American Citizen to solely own a Coffee-Shop in Amsterdam, The Netherlands. Visit capitolhemp.com for a comprehensive history.

DC Council Hearing on Marijuana, Nov. 19, 2021

**Statement of Richard Kennedy, engineering BSE, Princeton, 1963, economics PhD Rice, 1978
CIA Analyst 1972-2003, awarded Career Intelligence Medal in 2004**

Contact: dick41@gmail.com or 703-298-8192 (cell)

Thank you for hearing me! It's nice to be back, as I testified at the 2010 hearing on medical marijuana, when all 40-plus speakers were in favor, starting with DC's chief medical officer.

I am not a DC resident but my grandparents moved here from Virginia in the 1920s, my father spent many years here, and my family visited often in the '50s and '60s.

I have also never tried marijuana—graduated from college in 1963 before it showed up—so why should you care about my views? Well, I have degrees in engineering and economics, two very fact-based fields, and I spent 31 years as a European analyst at CIA—where the basic rule is to “gather the facts and follow wherever they lead”, regardless of who the president is or what current US policy might be. In 1982 I was a key author of a Special National Intelligence Estimate (now declassified) on a USSR-to-Europe gas pipeline project, and that report apparently caused Reagan to drop his effort to block the pipeline.

I also developed an early interest in human rights. I grew up in Baldwin, Long Island—a town of 27,000 residents, all White, despite being surrounded by towns with large Black populations. My Princeton class had 800 White guys, one Black guy, (and zero women). I heard MLK speak at Princeton, and read the news about sit-ins, bus boycotts, Freedom Riders, segregated schools, Blacks denied voting rights, etc.

In 1961 I had a summer job in Germany and visited Berlin—East and West—two weeks after the wall went up, and it was very sobering to see a totalitarian state first hand. That eventually led me to realize that I was more interested in foreign affairs than science, and I turned down a fellowship from MIT to study nuclear engineering.

In 1964 I became involved with a civil rights group on Long Island, and I started my first real job on the day that the disappearance of three civil rights workers in Mississippi was announced. After four months I quit the job and went to Mississippi for five weeks, where I assisted the lawyer, Henry Aronson, who was coordinating civil rights legal activities in the state, and I saw another form of totalitarianism first hand.

After 1964 I went back to school in Mexico, France, and Italy, and developed a serious relationship with a refugee from East Germany—at Christmas one year we went to West Berlin, her parents came to East Berlin, and we crossed over every day to visit with them—another sobering experience.

My interest in marijuana started in 1969 when I began PhD studies at Rice and for the first time saw people using the “Evil Weed”—smart people, my fellow grad students. In 1970 I read “Marihuana—



CIA Medal Ceremony, 2004

(One star is for a friend)

The New Prohibition” by Stanford Law Professor John Kaplan, and was totally persuaded the new prohibition was even worse than the old one, mainly because marijuana is so much safer than alcohol (or tobacco). I didn’t know then that it also has many medical uses (and many more, sure to be discovered), or about the horrible racial disparity in the way marijuana laws are enforced—something that became a major issue when the annual number of marijuana arrests went from the tens of thousands to over 900,000 annually.

I later learned that there is an unbroken chain of serious, non-partisan reports on marijuana, dating back to 1894, all concluding that it is not a very dangerous drug—a list is attached below. For example, in 1972 the US National Commission on Marihuana voted 13-0 for decriminalization, despite have nine members appointed by Richard “War on Drugs” Nixon. In the same year the watchdogs at Consumer Union published “Licit and Illicit Drugs”, in which the chapter on marijuana called for abolishing all federal marijuana laws and letting each state decide, as we do with alcohol. And in 1988, after two years of hearings on a challenge to marijuana’s Schedule 1 status in the Controlled Substances Act, the DEA’s Senior Administrative Judge’s ruling said **“... marijuana is far safer than many foods we commonly consume. . . it is physically impossible to eat enough marijuana to induce death. . . Marijuana, in its natural form, is one of the safest therapeutically active substances known to man...”** but he was overruled by DEA’s administrator.

At CIA I never concealed my views—I had a big marijuana poster over my desk, and at my post-retirement medal ceremony in 2004, my acceptance speech to about 60 colleagues was all about the failings of US marijuana policy (probably a first in Agency history).

The fundamental fault of marijuana prohibition still is that it is an order of magnitude safer than tobacco or alcohol—the former kills 480,000 Americans annually and the latter 88,000, while the number of marijuana deaths—if any—is too small to show up in epidemiological studies, either of total deaths or deaths from a specific disease. But an almost equally powerful argument against prohibition is the fact that a Black marijuana user is almost four times as likely to be busted as a White user, according to a 2013 ACLU study and other reporting.

In short, marijuana prohibition was a horrendous mistake, caused by ignorance, the greed of publishers like Hearst who saw that pot horror stories sold lots of papers, and last, but not least, the fact that, until the 60s, most marijuana users were Black or Mexican. It is long past time to restore sensible, fact-based policies, and erase this stain on our mostly proud history



Campaigning for I-71 in 2014

Key Findings of Non-partisan Reports on Marijuana

By Dick Kennedy, PhD, Senior CIA Economic Analyst 1972-2003; not updated since 2013

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| 2013 | The US Drug Policy Landscape: Insights and Opportunities for Improving the View, RAND Drug Policy Research Center | ...the consequences of marijuana dependence appear to be substantially less for both the individual and society when compared with the consequences of dependence on alcohol and on the more expensive drugs—cocaine (crack or powder), heroin, and methamphetamine.(p.5) |
| 2011 | Cannabis and Cannabinoids, National Cancer Institute (PDQ cancer information summary for health professionals) | Cannabis has been used for medicinal purposes for thousands of years prior to its current status as an illegal substance....The potential benefits of medicinal Cannabis for people living with cancer include antiemetic effects, appetite stimulation, pain relief, and improved sleep. |
| 2011 | War on Drugs: Report of the Global Commission on Drug Policy (members include George Schultz and Paul Volcker from the US, Kofi Annan, Richard Branson, and former presidents Cardoso of Brazil, Zedillo of Mexico, and Gaviria of Columbia.) | The global war on drugs has failed, with devastating consequences for individuals and societies around the world....[Recommendation:] Encourage experimentation by governments with models of legal regulation of drugs to undermine the power of organized crime and safeguard the health and security of their citizens. This recommendation applies especially to cannabis... |
| 2010 | "What Can We Learn From The Portuguese Decriminalization of Illicit Drugs?" British Journal of Criminology, vol. 50, pp 999-1022 | This paper examines the case of Portugal, a nation that decriminalized the use and possession of all illicit drugs on 1 July 2001.... It concludes that contrary to expectations....decriminalization did not lead to a major increase in drug use. Indeed, evidence indicates reductions in problematic use, drug-related harms and criminal justice overcrowding. |
| 2006 | The Evidence Base for the Classification of Drugs [in the UK], Rand Corporation (Ruth Levitt, Edward Nason, Michael Hallsworth) | Around four million people use illegal drugs each year [in the UK]. Most of those people do not appear to experience harm from their drug use, nor do they cause harm to others as a result of their habit. (p.8) |
| 2005 | "An Analytic Assessment of US Drug Policy", American Enterprise Institute (David Boyum, Peter Reuter) | We believe that the case for imposing criminal sanctions for possession of small amounts of marijuana is weak. At least a dozen states have decriminalized marijuana possession to some degree, ² and analysis of their experience suggests very modest effects on marijuana use, (p.98) |
| 2005 | National Drug Monitor (Netherlands) Annual Report, 2004 | The addictive potential of cannabis is minimal compared to that of nicotine, heroin and alcohol. (p.31) The toxicity of cannabis is minimal. In the past twenty years, the Statistics Netherlands (CBS) has not recorded one single death directly related to the consumption of cannabis. No such directly related deaths are known in other countries. (p.38) |

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| 2004 | Narconon of Southern California, ("the only drug rehab center that has a 76% success rate"), "Drug Overdose" | Unlike opiates, barbiturates or amphetamines, there seems to be little risk from the use of large amounts of marijuana. When a person smokes too much they feel very tired and lie down. When people swallow large amounts of hashish, occasionally they get sick to their stomach |
| 2002 | Ministry of Public Health of Belgium, "Cannabis 2002 Report" A joint international effort at the initiative of the Ministers of Public Health of Belgium, France, Germany, The Netherlands, Switzerland. | . . . no convincing proof that cannabis is a gateway drug:. . . Most users do not progress to other drugs. . . Occasional use is not a major hazard to health and well-being. . . even heavy cannabis smokers smoke less on average than nicotine smokers. . . . People may become dependent on cannabis . . . but [this is]certainly less common than dependence on tobacco and possibly alcohol . . .THC does not produce any gross changes in cognitive or psychomotor functions that are permanent |
| 2002 | Canadian House of Commons, "Final Report of the Special Committee on Non-Medical Use of Drugs" | The Committee, in agreement with the vast majority of witnesses appearing before it, believes that the use and harmful use of substances are primarily public health issues. (p. 61) The Committee recommends that the Minister of Justice and the Minister of Health establish a comprehensive strategy for decriminalizing the possession and cultivation of not more than 30 grams of cannabis for personal use.p131 |
| 2002 | Senate of Canada Special Committee on Illegal Drugs FINAL REPORT: CANNABIS: OUR POSITION FOR A CANADIAN PUBLIC POLICY | . . . for the vast majority of recreational users, cannabis use presents no harmful consequences for physical, psychological or social well-being in either the short or the long term. . . (p. 165) "Cannabis itself is not a cause of other drug use. . . cannabis itself is not a cause of delinquency and crime; and cannabis is not a cause of violence." (p. 15) The costs of externalities attributable to cannabis are probably minimal - no deaths, few hospitalizations, and little loss of productivity. (p.30) |
| 2002 | Advisory Council on the Misuse of Drugs (UK), "The classification of cannabis under the Misuse of Drugs Act 1971" | The high use of cannabis is not associated with major health problems for the individual or society (p.11). . . Regular heavy use of cannabis can result in dependence, but its dependence potential is substantially less . . . than that of tobacco or alcohol (p.11) . . . Cannabis intoxication tends to produce relaxation and social withdrawal rather than the aggressive and disinhibited behaviour commonly found under the influence of alcohol. p.7 |
| 2002 | 'Making Sense of Drugs and Crime," A Report of the Scottish Consortium on Crime & Criminal Justice | All the evidence shows that increased penal severity and massive incarceration, a policy followed with catastrophic consequences in the United States, does not reduce the drug problem. On the other hand, there is strong evidence, from The Netherlands and elsewhere, that a policy of decriminalisation of drug use, notably cannabis use, contributes to 'harm reduction'. |

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| 2001 | A Report of the National Commission on Ganja to Rt. Hon. P. J. Patterson., Prime Minister of Jamaica (where marijuana use is common) | The Commission is persuaded that the criminalization of thousands of people for simple possession for consumption does more harm to the society than could be done by the use of ganja itself. . . . alcohol and tobacco already proven to be more harmful . . . p.18 |
| 2001 | Ten Talks Parents Must Have With Their Children About Drugs and Choices", Dominic Cappello and Xenia G.Becher | Evidence shows that marijuana cannot compare to tobacco in terms of health consequences. While 460,000 people die every year from smoking cigarettes, only a tiny handful of deaths are directly attributable to marijuana. . . . marijuana is not chemically addictive, and there is no known withdrawal symptom in people who stop smoking it. |
| 2000 | Drugs and the Law: Report of the Independent Inquiry into the Misuse of Drugs Act of 1971 (Runciman Report), The Police Foundation (United Kingdom) | Our conclusion is that the present law on cannabis produces more harm than it prevents. It is very expensive of the time and resources of the criminal justice system and especially of the police.. . . it criminalizes large numbers of otherwise law-abiding, mainly young, people. . . . it inhibits accurate education about the relative risks of different drugs, including cannabis itself |
| 2000 | Marijuana and Youth," Journal of Economic Literature, April 2000. By six authors from RAND, NBER, U of Mich & Research Triangle Institute | Unlike alcohol, cigarettes or cocaine, where the harmful consequences of youth use have been clearly established, there is tremendous uncertainty regarding the short- and long-term consequences of youth marijuana use (P.5) . . . there is a significant contemporaneous correlation between marijuana use and poor grades and dropping out of school . . . However . . . these negative associations disappear when other factors . . . are controlled for." (p.6) |
| 1999 | "Cannabis (Marijuana) Dependence", in 'The Merck Manual of Diagnosis and Therapy, Section 15 "Psychiatric Disorders", Chapter 195 "Drug Use and Dependence" | Cannabis can be used episodically without evidence of social or psychologic dysfunction. . . . heavy use and complaints of inability to stop are unusual. . . . No withdrawal syndrome occurs when the drug is discontinued . . . Critics of marijuana cite much scientific data regarding adverse effects, but most of the claims regarding severe biologic impact are unsubstantiated, even among relatively heavy users . . . high-dose smokers may develop . . . bronchitis, wheezing, coughing, and increased phlegm . . |
| 1999 | National Academy of Sciences--Institute of Medicine: "Marijuana as Medicine--Assessing the Science Base" | There is a broad social concern that sanctioning the medical use of marijuana might increase its use among the general population. At this point there are no convincing data to support this concern. |
| 1999 | Cannabis Report of the Swiss Federal Commission For Drug Issues (EKDF) | Using the criminal law to prohibit a (possibly) self-endangering form of behavior is repugnant to the fundamental values of a legal system founded on personal liberties. (p. 79) the Federal Commission unanimously recommends the elaboration of a model which not only removes the prohibition of consumption and possession but also makes it possible for cannabis to be purchased lawfully. (p. 106) |

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| 1998 | House of Lords, Select Committee on Science and Technology, Ninth Report | we have received enough anecdotal evidence . . . to convince us that cannabis almost certainly does have genuine medical applications, especially in treating the painful muscular spasms and other symptoms of MS and in the control of other forms of pain |
| 1998 | Public Letter to UN Secretary-General Kofi Annan, signed by former Secretary of State George Schultz and about 500 other distinguished persons from around the world | We believe that the global war on drugs is now causing more harm than drug abuse itself....[The illegal drug] industry has empowered organized criminals, corrupted governments at all levels, eroded internal security, stimulated violence, and distorted both economic markets and moral values. These are the consequences not of drug use per se, but of decades of failed and futile drug war policies. |
| 1998 | Report of Recommendations of the Commission for the National Strategy of Combat to the Drug (sic) (Portugal) | . . . there exist many preconceived notions about the use of drugs, many of which are false . . . many drugs are not lethal . . . only a small percentage of those who take drugs become addicts . . . Recommendation: Decriminalise private drug taking and the possession or purchase of drugs for this kind of use. |
| 1996 | Australian government, "Alcohol Handbook, Chapter 1" | In 1990, of the estimated 25 524 deaths attributed to drug use, 71% were due to tobacco, 26% to alcohol, 2% to opiates and 1% to other drugs, including pharmaceuticals and over-the-counter medications |
| 1996 | Drugs and Our Community, Report of the Premier's Drug Advisory Council, Victoria, Australia | Cannabis use is relatively widespread in our community. Council believes that strategies to reduce use and misuse are most likely to be effective if use of cannabis is no longer a criminal offence but is regulated in a number of important respects. Education and treatment will be facilitated by this change and respect for the law may also increase. |
| 1995 | The War on Drugs: Prohibition isn't working,--some legalisation will help. Editorial by Richard Smith, British Medical Journal 311, 23-30 December, 1995 | Governments worldwide have followed illogical and often counterproductive drug policies, primarily because drug use is seen in moral terms. Wars on drugs are doomed to failure. . . . Policies that allow some decriminalisation and legalisation are much more likely than prohibition to succeed in achieving everybody's aim of minimising the harm from drug use. |
| 1995 | Australian Government, National Drug Strategy Monograph Series No. 25, "The Health and Psychological Consequences of Cannabis Use." | There are no confirmed cases of human deaths from cannabis poisoning in the world medical literature p7. . . .To date there has been no epidemio-logical, or even anecdotal, evidence of increased rates of disease among chronic heavy cannabis users p8. . . The evidence that chronic heavy cannabis use produces an amotivational syndrome among adults is equivocal p11. . .available evidence suggests that the long-term heavy use of cannabis does not produce any severe impairment of cognitive function. p12 |

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| 1995 | WHO: A Comparative Appraisal of the Health and Psychological Consequences of Alcohol, Cannabis, Nicotine and Opiate Use | Heavy alcohol use increases the risk of premature mortality from accidents, suicide and violence. There is no comparable evidence for cannabis. Tobacco use is associated with a wide variety of health conditions for which cannabis has not been implicated. |
| 1995 | Editorial in The Lancet (British medical journal) Nov. 11 | The smoking of cannabis, even long term, is not harmful to health.... Sooner or later politicians will have to stop running scared and address the evidence: cannabis per se is not a hazard to society but driving it further underground may well be.." |
| 1994 | Australian Department of Health and Aging, "Legislative Options for Cannabis Use in Australia" | . . . little evidence exists that cannabis itself causes significant harm when used in small quantities. . . . society experiences more harm, we conclude, from maintaining the prohibition policy than it experiences from the use of the drug. |
| 1994 | Association of the Bar of the City of New York: A Wiser Course: Ending Drug Prohibition | Our government tried to prohibit alcohol consumption and found it did not work. As demonstrated in this report, drug prohibition is also a failure that causes more harm than the drug use it is purportedly intended to control |
| 1994 | "Psychoactive Substances and Violence", Jeffrey A. Roth, US Dept. of Justice, Series: Research in Brief | Of all psychoactive substances, alcohol is the only one whose consumption has been shown to commonly increase aggression. |
| 1989 | Twentieth Annual Report of the Research Advisory Panel, Prepared for the Governor and Legislature [of California] | SUGGESTED LEGISLATION: Allow cultivation of marijuana for personal use. . . . an objective consideration of marijuana shows that it is responsible for less damage to the individual and to society than are alcohol and cigarettes, |
| 1988 | DEA: MARIJUANA RESCHEDULING PETITION--DECISION OF ADMINISTRATIVE LAW JUDGE FRANCIS L. YOUNG | . . . marijuana is far safer than many foods we commonly consume. . . it is physically impossible to eat enough marijuana to induce death. . . Marijuana, in its natural form, is one of the safest therapeutically active substances known to man. |
| 1982 | An Analysis of Marijuana Policy, National Research Council of the National Academy of Science | It can no longer be argued that [marijuana] use would be much more widespread and the problematic effects greater today if the policy of complete prohibition did not exist. |
| 1980 | The Facts About Drug Abuse: Final Report of the Drug Abuse Council | . . . current [drug] policies reflect assumptions and events more than a half century old, despite the fact that many of those assumptions were erroneous or founded in demagoguery. |
| 1975 | Ganja in Jamaica-A Medical Anthropological Study of Chronic Marijuana Use by Vera Rubin and Lambros Comitas (1975; Mouton & Co., The Hague, Paris/Anchor Books, NY). | "Despite its illegality, ganja use is pervasive, and duration and frequency are very high; it is smoked over a longer period in heavier quantities with greater THC potency than in the U.S. without deleterious social or psychological consequences. . . . "No impairment of physiological, sensory and perceptual-motor performance, tests of concept formation abstracting ability, and cognitive style and test of memory." |

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| 1972 | Marihuana: A Signal of Misunderstanding, National Commission on Marihuana and Drug Abuse (United States) | The Commission is of the unanimous opinion that marihuana is not such a grave problem that individuals who smoke marihuana, or possess it for that purpose, should be subject to criminal procedures. |
| 1972 | Consumers Union, "Licit and Illicit Drugs" | [CU] recommends that each of the fifty states repeal its existing marijuana laws and pass new laws legalizing the cultivation, processing, and orderly marketing of marijuana-- subject to appropriate regulations. |
| 1972 | Baan Commission Report, commissioned by Undersecretary of Health (Netherlands) | The report describes the use of cannabis products as relatively benign and the health risks as relatively limited. . . Controlled use of drugs is possible. The basis for state intervention should be to try to prevent the use of those dugs that present the most risks. . . . Users will be better served by drug information and prevention efforts than by prosecution. |
| 1971 | Hulsman Commission Report, commissioned by National Federation of Mental Health Organizations (Netherlands) | Use of cannabis and the possession of small quantities be taken out of criminal law . . . "If an individual makes a choice that may be dangerous to herself . . . no one should deny her this right." (p. 42) If we opt for the criminal law as the central means for opposing drug use . . . the means will fall short, upon which those who favor punishment will plead for an increase of law enforcement, until it will be amplified a hundred fold from the present situation. (p. 51) |
| 1971 | Cannabis: The Report of the Canadian Government Commission of Inquiry into the Non-Medical Use of Drugs (LeDain Report) | The use of cannabis in private is generally speaking beyond the effective reach of law enforcement....A real fear of being discovered in the private use of cannabis could only be developed and maintained by using the methods of a police state....We do not believe that the known, probable and possible effects of cannabis, and the marginal effect which a prohibition against simple possession may have on availability, perception of harm, and demand, justify these costs of continuing to attempt to enforce it... |
| 1968 | Cannabis: Report by the Advisory Committee on Drug Dependence (Wooton Report) British Government, Home Office | . . . the long-term consumption of cannabis in moderate doses has no harmful effects . . . There is no evidence that this activity is causing violent crime or aggression, anti-social behaviour, or is producing in otherwise normal people conditions of dependence or psychosis, requiring medical treatment. (para 67) . . . it is also clear that cannabis is very much less dangerous than the opiates, amphetamines and barbiturates, and also less dangerous than alcohol (para 70) |

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| 1967 | R. H. Blum, "Mind-Altering Drugs and Dangerous Behavior: Dangerous Drugs," in the President's Commission on Law Enforcement and Administration of Justice, Task Force Report: Narcotics and Drug Abuse. Washington, D.C. | Mind-altering drug use is common to mankind. Such drugs have been employed for millennia in almost all cultures. . . . In terms of drug use, the rarest or most abnormal form of behavior is not to take any mind-altering drugs at all. . . . If one is to use the term 'drug user' , it applies to nearly all of us. |
| 1961 | Interim Report of the Joint Committee of the American Bar Association and the American Medical Association on Narcotic Drugs. | There is also doubt as to whether the premises on which our present narcotic laws rest are sound and validly conceived |
| 1956 | Report on Narcotic Addiction by the Council on Mental Health of the American Medical Association | . . . the Council further recommends that where civil commitment procedures can be used criminal sentences for addicts who are guilty only of illegally possessing and obtaining opiates, marihuana, and cocaine should be abolished |
| 1944 | The LaGuardia Committee Report: "The Marijuana Problem in the City of New York", Foreword by Mayor Fiorella LaGuardia | The report. . . covers every phase of the problem and . . is a basic contribution to medicine and pharmacology. I am glad that the sociological, psychological, and medical ills commonly attributed to marihuana have been found to be exaggerated. |
| 1933 | "Marijuana Smoking in Panama" (by US military personnel), The Military Surgeon, volume 73 | There is no evidence that marihuana as grown here is a "habit-forming" drug in the sense in which the term is applied to alcohol, opium, cocaine, etc., or that it has any appreciably deleterious influence on the individuals using it.. |
| 1894 | British government, Indian Hemp Drugs Commission Report (<i>Note: "Indian Hemp" was the British term for marijuana</i>) | In regard to the physical effects, the moderate use of hemp drugs is practically attended by no evil results at all; the moderate use of hemp drugs produces no injurious effects on the mind; the occasional use of hemp in moderate doses may be beneficial |

Committee of the Whole (Council)

From: Richard Kennedy <dick41@gmail.com>
Sent: Friday, November 19, 2021 12:44 PM
To: Committee of the Whole (Council); Richard Kennedy
Subject: Marijuana-caused Impairment

Dear Council Members, especially, Mr. Mendelson, who I recall from 2010 as being very well informed on Marijuana issues. This is a special interest of mine, since I have donated annually to MADD for many years. Like alcohol, Marijuana can impair judgment, but it has a much smaller impact on motor skills and reaction time, and, while alcohol tends to make drivers more aggressive, Marijuana tends to make them more cautious--there is an old joke: "What is the difference between alcohol users and potheads when they come to a stop sign? Answer: The alcohol user blows through it while the pothead stops and waits for it to turn green."

As noted by other witnesses, there is no quick test for THC levels, and there is also only a very poor correlation between THC level and impairment. To test for marijuana impairment we need to fall back on earlier methods, such as asking the person to walk a straight line

Side note: our 0.08 DUI standard is far too lenient. Most drivers are impaired before they get to 0.05, and almost all other Western countries have a limit of 0.05 (most common) or lower, including 0.00 in about five countries. (I think 0.02 or 0.03 is about right.)

I can provide sources, if requested.

Dick Kennedy,

CIA Senior Analyst 1972-2003

Advocate for sensible Marijuana laws, 1969-2021; I may even try it myself someday.

WRITTEN TESTIMONY OF LISA SCOTT DC CANNABIS BUSINESS ASSOCIATION

Before the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety's upcoming hearing on:

- Bill 24-113, Medical Cannabis Amendment Act of 2021
- Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021

Thank you Councilmembers and members of the committees holding this hearing concerning adult-use sales of cannabis. My name is Lisa Scott, president of DC Cannabis Business Association.

The DC CBA was created to serve the specific needs and concerns of local, self-employed and potential ganjapreneurs in the District of Columbia. The association promotes the local industry, advocates for legislation and regulation, and provides educational opportunities for its members. Unfortunately, it's been several years of waiting for the laws to change and the business licensing to begin so that we can be active in the community.

What is most important for you to know is that we have been fully engaged and testing the waters while patiently waiting for the roll out to begin. We know what is needed to create this new industry while being socially conscious of the needs of the local entrepreneurs (current and potential) who want A FAIR SHOT.

The Big Lie

BIG PHARMA

We ALL have been lied to for our entire lives. We have completely been told that the little white pills created by the pharmaceutical industry are the panacea for all of our ills. While big pharma is an enormous industry created by man, Mother Nature has been forgotten. When was the last time your doctor asked you about your diet and bowel movements? They don't. They just feed you pills to make you temporarily feel better... and get us hooked thinking this is what we need to survive and live well. This is exactly the kind of thinking that has led to the opioid crisis.

THE CANNABIS PLANT IS MOTHER NATURE

We all know that phrase, "An apple a day keeps the doctor away." But people are not growing apple trees in their back yards for their health. We're growing CANNABIS for our health and well-being. It's safe, effective, and natural. Don't be afraid of it. What you might fear was created by racist men who wanted to put black and brown people in prison. They were wrong. You know it. Now, embrace that knowledge and drop the fear. No one is dying from cannabis. If one over-indulges in cannabis, they don't call 911. They call for pizza delivery. That's good for the economy. OR they just sleep it off. But then they wake up feeling like they had the best sleep they've ever had in their life. What dreams are made of... that's what that is. So – drop the fear and read on.

COMPARE CANNABIS

OVER THE COUNTER VITAMINS & MEDICATION

Adults can freely buy their medication without any doctor consultation at any grocery store or pharmacy. They can choose their strength. There is no limit to how much they can buy and hold in their possession. CANNABIS should have the same freedom.

BEER, WINE, ALCOHOL

Adults can freely purchase as much beer, wine, and spirits (even 190proof everclear) as they want without anyone knowing or caring. Adults can choose. It's a freedom we should afford CANNABIS as well. We should be free to purchase as much as we want, when we want it, store as much as we want... and by whoever grows what we need. Regulate CANNABIS the same way you do beer, wine, and alcohol.

CIGARETTES & CIGARS

Adults should be allowed to indulge in smoking CANNABIS in the same locations, indoor or outdoor that allow tobacco products. The need for consumption lounges is vital, especially for tourists and people who live in government housing, but also adults should be free to socialize with others while smoking CANNABIS.

Cannabis EDIBLES



Start with One Serving

Start with a low-dose or single serving product until you know how edibles will affect you.



Wait

Edibles can take up to 2 hours or longer to take effect.



Don't Mix

Edibles should not be mixed with alcohol or controlled substances.



Out of Reach

Keep away from children, pets or ANYONE under 21, and store in

NOT EVERYONE WANTS TO SMOKE

Cannabis edibles are in high demand because a lot of people want the benefits without having to smoke. A cancer patient who was just diagnosed at 60 doesn't want to start smoking. And one can indulge in places where smoking is not allowed.

Everyone's needs and tolerance levels are different. Edibles can come in various doses to accommodate which is ideal for first timers and old timers.

Like spirits, alcohol has mixers to make them more palatable. Cannabis has candies, baked goods and other transformations to make it easier to take.

MEDICAL DISPENSARY EDIBLES

The regulations you designed for the Medical Marijuana program needs to be revised. Cultivators are growers. They are not cooks, bakers, or chefs. And their warehouses are not equipped with commercial kitchens. The program needs to allow offsite production of edibles and/or allow for independent contractors to provide edibles for medical dispensaries. You have the power to change this.

Multi-level Small & Micro Licenses

Cultivators: multiple tiers based on plant count and/or square footage of grow area, seed sellers, farmers market, and nursery licenses

Manufacturers: multiple tiers: extractors, edible-makers, concentrate makers/cartridges for vaping, etc...

Retailers: multiple tiers based on size and type of establishment

Events: multiple tiers to include: festivals, one day event, catering, consumption lounges, tourists companies, bed and breakfasts, cafes and restaurants

Cottage Industry and Co-operatives: Not everyone wants to be big or do this full-time. Some of these licenses should have a co-op clause or allowance. And cottage industry licensing is ideal for many micro businesses.

NOTE: the license fees for all of these should be comparable to the multiple levels given to beer, wine, and alcohol licenses. These licenses permit business to sell and deliver.



A FAIR SHOT can only be accomplished if we roll it out right from the very beginning.

Social Equity needs affordable access for anyone who wants in. No barriers. Keep out interstate deep pockets. Go loco for local.



Immediate Expungement



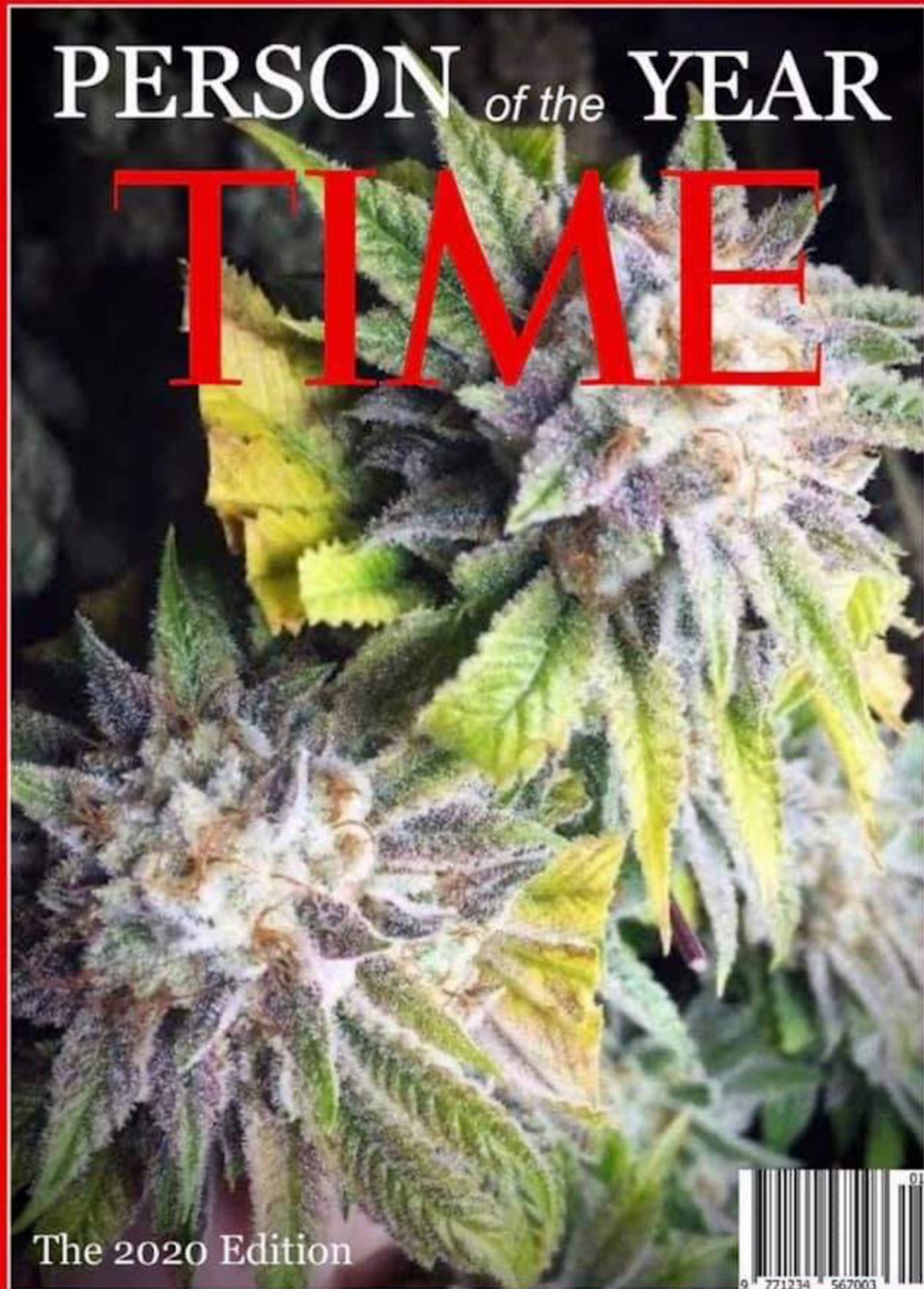
**The need
to hire an
attorney
and file a
motion is
WRONG!
Just let
them free.**

CRAFT CANNABIS



Community Reinvestment

With access to affordable cultivation licenses local farmers can and should be allowed to supply the demand of cannabis to both medical and adult use retailers. Let's see what we can do by giving us A FAIR SHOT. Indoor, Sungrown, Co-operatives, and Community Gardens should be considered.



The Time is Now!

The residents of DC and potential gangapreneurs have already waited 7 years for the laws to change. Once they do and a cannabis retail licensing comes into play, there is no need to make us wait another 2 years to enter the industry. Open the doors right away. Do NOT violate Antitrust laws by only allowing a select few to participate in this emerging and lucrative industry. We want A FAIR SHOT! Competition is the American way and will improve the cost and quality of the product for the consumer.

CONTACT ME WITH QUESTIONS, SUGGESTIONS, OR CLARIFICATION

Lisa Scott, President of DC CBA

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November 19, 2021



Chairperson Phil Mendelson
Committee of the Whole
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

Chairperson Charles Allen
Committee on the Judiciary & Public Safety
Council of the District of Columbia
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Chairperson Kenyan McDuffie
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The Committee of the Whole, the Committee on the Judiciary & Public Safety, and the Committee on Business & Economic Development on *B24-118 the Comprehensive Cannabis Legalization & Regulation Act of 2021*

Written Testimony of Queen Adesuyi, Senior National Policy Manager, Drug Policy Alliance

The Drug Policy Alliance (DPA) appreciates this historic opportunity to submit written and oral testimony to the aforementioned Committees regarding B24-118 the “Comprehensive Cannabis Legalization & Regulation Act of 2021.” DPA advocates for drug policies that are grounded in science, compassion, health and human rights, with a core mission to reduce the harms associated with drug use and drug prohibition. This legislation presents the District of Columbia with the opportunity to advance the most forward thinking, thoughtful cannabis legalization reform to date. **We are testifying today in support of B24-118.**

Cannabis legalization in the District must advance racial and economic justice and health equity by establishing an industry that is accessible to Washingtonian entrepreneurs and community members who bore the brunt of marijuana criminalization – namely Black Washingtonians and Washingtonians living in over-policed and under-resourced communities. Cannabis legalization provides the opportunity to create a *new* approach to economic development and opportunity that is unlike anything we have seen before. We don’t have to follow the existing models for other industries that so often result in perpetuating injustices rather than ameliorating them. Instead we can create opportunity, prevent economic concentration, and invest in the communities and individuals most harmed by the racist War on Drugs.

This bill is the product of a thoughtful, inclusive process that relied on input from stakeholders, experts, and best practices from other jurisdictions. In both my written and oral testimony, I will first highlight some of the most important components of the bill. I will then discuss a few ways that the bill **could and should** be made even stronger.

There are a number of excellent provisions in this bill that I would like to highlight:

1. The bill establishes a Cannabis Advisory Committee that includes representation from experts in the areas of criminal justice reform, economic development, racial and economic justice, medical cannabis, and representation from disproportionately impacted communities. It is important to recognize that cannabis legalization is new, and to get it right, we need ongoing advice and input, especially from the communities that we hope the legislation will benefit. We can’t achieve our goals – we won’t even know *whether* we have achieved our goals – if these voices are not included in shaping the program.
2. The bill includes a microbusiness license and a restriction that prevents a licensee from holding more than 2 licenses. These provisions are important to lift up smaller businesses and provide economic opportunity to a greater number of people including those who have less capital and less power.

3. Delivery is allowed by the holder of a microbusiness license or an off-premises retail license who obtains a delivery endorsement to deliver cannabis to District residents' homes. Delivery is an important component to advancing equitable access.

4. The bill does not exclude people from licensure solely for a prior conviction for a controlled substances offense (other than sales to minors). The collateral consequences from drug convictions have long been used to prevent people from accessing employment and economic opportunity. This bill will ensure that doesn't happen in the cannabis industry.

5. The bill creates a strong social equity program that goes farther than any other legislation adopted thus far to ensure equity applicants receive licenses and are successful. Most importantly, at least 50% of all available licenses in each license category *must* go to social equity applicants. In the New York bill, this is a target. However, in this bill, it is a requirement. Additionally, when a social equity license holder seeks to transfer a license, the regulators must evaluate whether this 50% requirement will still be met before the license transfer is allowed. Social equity applicants can also apply for a waiver of license application fees and 30% of the tax revenue goes to support social equity applicants through loans, grants, and other assistance.

6. The bill invests cannabis tax revenue in the communities most harmed by cannabis prohibition. In addition to the 30% that goes to support social equity applicants, 50% of revenue goes to a Community Reinvestment Program to fund grants to community-based organizations that address economic development, mental health treatment, substance use disorder treatment, non-law enforcement violence prevention services, homeless prevention services, re-entry services, youth development, and civil legal aid for underserved communities. *Importantly*, a Community Reinvestment Program Board comprised of members of community-based organizations and formerly incarcerated people will oversee the grants to ensure that they are granting in a manner aligned with the communities' interests.

7. The bill contains critical protections in the context of family law and child welfare for parents and guardians who are lawfully using cannabis and causing no harm to their child. It is important to acknowledge that the child welfare system has long been one of the primary mechanisms of the drug war used to punish women and children.

8. The bill contains important legal protections for people receiving public assistance benefits and protection from technical violations for cannabis while on probation. The legislation must remove the entrenched mechanisms of punishment that exist within many agencies and government programs so that people do not continue to be punished for conduct that is now legal.

9. The bill requires that the Clerk of the District of Columbia Superior Court commence a comprehensive review and issue an order directing prosecutors, law enforcement, and supervision agencies to expunge arrests, prosecutions, and convictions relating to cannabis or cannabis paraphernalia (other than sales to minors) within 180 days. The bill should *also* include a deadline of 30 days by which the order must be complied with and by which all applicable records *are in fact* expunged. Automatic expungement is a critical component to undoing past harm that must be included as part of cannabis legalization.

As written, this bill is certainly one of the most progressive to date. However, there *are* areas where it could and should be even stronger.

1. Social equity applicants should be prioritized to go first. As the bill is now, for the first year the licenses can only go to existing medical cannabis license holders. And then after the first year, social equity applicants will be considered on an expedited basis. A better approach would be to flip this so that social equity applicants go first and get a foothold before the market is saturated.

2. Once licenses open up to existing medical cannabis licensees, the Cannabis Regulatory Division – with input from D.C.’s Department of Health – should enact rules to ensure that medical cannabis patients will have continued access to the products they need before a new, adult-use license is granted. Additionally, the bill should allow and encourage the donation and sale of medical cannabis at reduced cost to low-income patients and veterans.

3. Social equity licensees should be *guaranteed* a minimum percentage of the market so that at least half of all the cannabis grown and sold in the District is grown and sold by a social equity business.

4. All licenses should contribute to social equity, not just the social equity licenses. Every license applicant of any type shall be required to submit a social equity plan that explains how the applicant’s business will advance social equity in the District, create an inclusive and equitable workforce, and contribute to repairing the harm caused by the War on Drugs to communities in the District. Each licensee’s plan and information on its operation and implementation must be included in the renewal application for each licensee. Failure to effectively implement the plan may be cause to deny renewal of the license.

5. Often seemingly benign rules unrelated to social equity can unintentionally create barriers to licensure and undermine social equity goals. Therefore, the bill should require that no rule or regulation *of any type* may be promulgated without an assessment of its impact on social equity and whether the rule or regulation will create barriers to licensure or success for social equity applicants.

6. It is great that delivery is allowed in the bill, but the bill could further advance social equity by making delivery licenses available *only* to social equity applicants and *only* by social equity businesses. This is what Massachusetts has done.

7. We appreciate that the bill allows regulators to create licenses for safe use at social clubs and other on-site venues. However, given that on-site consumption is critically important for the many people who do not have access to private spaces or own a private home in which they can lawfully consume cannabis, the bill should affirmatively allow for social consumption spaces where people can use cannabis together outside of the home.

8. The bill should include and prioritize a number of *very* small, low barrier to entry license types that are available only to social equity applicants, such as a cottage cultivator permit that would allow individual to grow very small number of plants and commercially sell the cannabis produced to manufacturers or dispensaries and a cottage food/artisan permit that would allow an individual to purchase cannabis or cannabis extracts to make food or other products out of a home kitchen to sell to dispensaries (or at farmers markets, festivals, and other places eventually approved for cannabis sales).

9. There are many cannabis consumers in the District who want to support social equity businesses. The bill should require the board to create a social equity mark or designation to identify for consumers products that are produced and sold by social equity licensees.

10. One struggle many states have faced is coming up with the qualifications for social equity applicants that best target the appropriate people. The bill should give the board some flexibility to adjust the qualifications for social equity applicants to ensure the goal of increasing licensure among individuals from communities disproportionately impacted by cannabis-related arrests and enforcement. In the event that there are future legal issues with residency requirements, this would allow the board flexibility to adjust the criteria to continue to achieve the bill’s goals.

11. Rather than maintaining the complete prohibition of cannabis consumption in *all* public places, the bill should more closely mirror restrictions on the smoking of tobacco in the District by limiting smoking in sensitive areas, such as at bus stops and playgrounds, but not restricting use in *all* public spaces. This is the

approach that New York recently took when it legalized cannabis in order to further reduce criminalization and racial disparities in enforcement. Four years after Initiative 71, 84% of the more than 900 people arrested for public consumption of cannabis in the District were Black.

12. The bill should require that data shall be comprehensively collected and made available to the public, including demographic data, related to implementation of all aspects of the bill including the changes to criminal penalties, policing and police practices, expungements and resentencing, collateral consequences, the social equity program and outcomes, applicants, licenses awarded, enforcement, the market, tax rates, and revenue collected and allocated.

13. Automatic expungement is critical to ensure that the bill prevents future harms. In addition to expungement, the bill should declare that all records of prior cannabis arrests and convictions that are subject to expungement are unreliable as a matter of law and may not be used as a basis to deny employment, housing, schooling, professional licensing, or any other benefit. Employers, landlords, insurance companies, and educational institutions would be prohibited from requiring an applicant to disclose information about an expunged record *or* a record eligible for expungement. This will ensure that even if expunged records are maintained in private databases, that they cannot be used.

14. We commend the bill for allocating the majority of tax revenue to ensure a fair and equitable industry and to repair communities most harmed by the War on Drugs. However, we believe that, given the history of cannabis prohibition and the harm caused, *all* of the tax revenue from the legal sale of cannabis should be used *solely* to ensure these goals. Thus, we recommend the bill include three funds with the revenue allocated as follows:

- 25% to the Social Equity Fund to encourage and support an inclusive and equitable industry. We support slightly reducing the percentage of the revenue allocated to this fund. While the social equity licensing goals are central to this bill, they primarily benefit a limited number of private business owners whereas the harms of cannabis prohibition were felt community wide and limited opportunities for people with prior convictions in all types of employment and business opportunity.
- 25% to a Re-entry Fund to provide re-entry services, entrepreneurship training, employment and housing support, record clearing, and civil legal services for people recently released from incarceration.
- 50% to the Community Reinvestment Fund. The purposes of the fund should be expanded to include need-based scholarships for youth who have a parent or legal guardian who is incarcerated; support for small groceries and locally owned restaurants in Ward 7 and 8; and support to public schools for after school activities.

Thank you for the opportunity to testify in support of this important bill. The Drug Policy Alliance appreciates the work of the Council and looks forward to supporting this effort in whatever way we can. Please feel free to reach out to me with any questions, clarifications, or for assistance.

Sincerely,



Queen Adesuyi
Senior National Policy Manager
Drug Policy Alliance
qadesuyi@drugpolicy.org | (202) 810-1481

To: Chairman Mendelson and Members of the District of Columbia City Council

FROM: Desley Brooks, Former Member, Oakland City Council

DATE: November 19, 2021

SUBJECT: The Comprehensive Cannabis Legalization and Regulation Act of 2021.

Good morning Chairman Mendelson and Members of the Council:

Thank you for this opportunity to address you on this important legislation -- The Comprehensive Cannabis Legalization and Regulation Act of 2021. My name is Desley Brooks. I am formerly a member of the Oakland City Council. I served on that body for 16 years. As a member of the Council I was the founder and author of the Oakland Cannabis Equity Program. This program was the first Cannabis Equity program in the United States and has been replicated by numerous cities and states throughout the country.

I want to thank and commend Councilmember McDuffie and his colleagues for understanding the importance of addressing the failure of the government sanctioned war on drugs and the devastating impact it had, and is having, on Black and Brown communities – Specifically the Black community.

As you undertake this effort, I want to share some lessons learned in Oakland:

1. In crafting your legislation and Social Equity program you should apply an Equity Lens. Equity is data driven and very intentional. Equity, in this instance, does not mean women, veterans, disabled people, etc. – it means you should look at the group(s) most heavily impacted and legislate for them. In doing so you will create a system where everyone can thrive – your data will show you that between 2012 and 2019 DC had approximately 11,700 cannabis related arrests; of that 11,700 arrests 10,500 were of Black people (only 709 were white). Thus, your legislation should be centered around addressing the Black community.
2. The Equity Program eligibility should not be so broad that it fails to impact inequities. To that end be careful of seemingly benign language that dilutes equity. An example could be in your Definition of a Social Equity Applicant found in the Definition section at 28(B). That section allows for someone merely arrested to meet one of the requirements to be an Equity Applicant. A mere arrest could arguably allow 709 people who were only Arrested, not convicted, to qualify as an equity applicant. The implications of an arrest are far less than those of a conviction. Oakland intentionally used the conviction requirement and not arrest. I would suggest you strike this language.

3. Require the police Department to maintain and report out to the public Cannabis statistics. I was shocked to see that the Department merely released the raw data with no analysis. This data is one important component to understand the progress your program is making.
4. First one out has a greater likelihood of success. Oakland used a phased permitting process that prioritizes Equity Applicants and encourages incubators. During the initial phase of implementation of the legislation only Equity licenses would be issued until the Equity Fund reached \$3.4 million dollars. Non-equity applicants had to wait. They could only get approved for a license during this initial phase if they incubated an Equity applicant. To incubate they were required to provide 1000 square feet for business operations, rent free, for 3 years, and security.
5. Access to capital is an ongoing barrier for many Equity Applicants. A dedicated fund from cannabis taxes or other sources is essential for no and low interest revolving loans to Equity Applicants. Look for ways to eliminate barriers – for example for the Manufacturing community Oakland just built a commercial kitchen.
6. Provide ongoing Technical Assistance -- on the front end to navigate the process, education to make sure they maintain compliance. Avoid conflicts require technical assistance providers to sign agreements that they will not do business in the industry during the term of their contract and for a 3-year period thereafter.
7. Create an Equity participant Advisory Board so there is a direct pipeline to the Council regarding issues and concerns of the Equity participants.
8. Finally, you will pass a Social Equity program now but that legislation should not remain unchanged and stagnant. You should regularly be evaluating and amending your legislation to make the necessary adjustments to ensure the program's success.

With this legislation you have an opportunity to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities of color and to address the disproportionate impacts of the war on drugs in those communities.

Respectfully Submitted.



Independent Research. Poverty Solutions. Better DC Government.

**Testimony of Doni Crawford, Senior Policy Analyst
At the Public Hearing on the Medical Cannabis Amendment Act of 2021 and
the Comprehensive Cannabis Legalization and Regulation Act of 2021
Committee of the Whole, Committee on Business and Economic Development, and
Committee on Judiciary and Public Safety
November 19, 2021**

Good morning, Chairpersons Mendelson, McDuffie, Allen, staff, and members of the Committees. Thank you for the opportunity to testify today. My name is Doni Crawford, and I am a senior policy analyst at the DC Fiscal Policy Institute (DCFPI). DCFPI is a nonprofit organization that promotes budget choices to address DC's racial and economic inequities and to build widespread prosperity in the District of Columbia, through independent research and policy recommendations.

Today, my oral testimony will focus on B24-118, the Comprehensive Cannabis Legalization and Regulation Act of 2021. My written testimony includes recommendations on strengthening B24-113, the Medical Cannabis Amendment Act of 2021, as it will likely be enacted first—presenting us with the immediate opportunity to continue making improvements to our existing cannabis market.

DCFPI applauds the hard work and intentionality that went into making this cannabis legalization and regulation bill, which is arguably the best in the nation. When we were all having conversations last year on how to incorporate racial equity as a key focus of DC government, *this* bill is an example of what that looks like in the legislative design of public policy. It may have taken more than a year to collaboratively engage with stakeholders, but it is undoubtedly worth the extra time and work to get this right, and I hope future bills are crafted in a similar way.

In a report this spring, DCFPI wrote about how the DC Council can usher in a restorative and racially inclusive recreational cannabis industry for the Black and brown communities most harmed by criminalization and the failed War on Drugs.¹ These guiding principles are to address historic and current harm; design a cannabis industry that fosters racial inclusion; and, devote cannabis tax revenue to build community wealth. This bill follows these principles in a number of ways including by automatically expunging most cannabis-related arrests, prosecutions, and convictions; setting aside half of all available licenses created by the bill to social equity program participants and setting up a dedicated funding stream to support them; and, thinking through what allocating half of cannabis sales tax revenue toward community reinvestment could look like as a part of this process.

To make this bill even stronger, DCFPI makes a number of recommendations, including the following three core recommendations:

- Strengthen the social equity provisions to prioritize licenses for returning citizens, and allow them to fully participate in the industry as employees and owners without any restrictions;

- Devote *all* cannabis tax revenue and licensing fees (none to the General Fund) to the social equity program, community reinvestment, and assistance for returning citizens; and,
- Modify the Community Reinvestment Program Fund to entirely support direct, unrestricted cash assistance to returning citizens, their families, and Black and brown communities harmed by criminalization and the failed War on Drugs, making DC one of the first cities in the nation to structure their fund in this way.

Understanding the History of Cannabis Policy Elucidates the Need for Us to Get This Right

The history of cannabis criminalization is rooted in racism and intentional efforts to harm Black and brown people. For many thousands of years, Eastern cultures used cannabis for a variety of purposes. Hemp fiber from the plant was used to make clothing, rope, paper, canvas, sails, and shoes. People also used cannabis during religious ceremonies, as an anesthetic for surgeries, and as a psychoactive.² But early racist associations in the US connecting cannabis usage to imagined violence in Mexican, Japanese, and Black communities laid the groundwork for cannabis prohibition and the “war on drugs”—both of which fueled unjust over policing and mass incarceration of Black and brown people.³ Criminalization directly harmed many Black and brown families’ ability to be hired for a job, secure housing, receive federal financial aid for higher education and financial assistance to support their family, drive, own a business, vote, etc.⁴

This history of injustice has carried over into present-day racial inequities. Today, Black ownership of storefront cannabis dispensaries is estimated to be around one percent nationwide.⁵ Another national survey found that the percentage of Black and brown people that have launched a cannabis business and/or have *any* (not controlling) ownership stake in a cannabis business, is slightly higher at four and six percent, respectively.⁶ And unjust policing and the criminalization of Black people continues today. In DC, Black people continue to make up 89 percent of all cannabis-related arrests both before and after legalization, according to a recent Washington Post study.⁷

Now is the time to atone for these historical and ongoing injustices by ushering in a new cannabis industry rooted in racial equity and racial justice.

B24-118: Comprehensive Cannabis Legalization and Regulation Act of 2021

Strengthen Social Equity Provisions to Prioritize Licenses for Returning Citizens

The Comprehensive Cannabis Legalization and Regulation Act of 2021 commendably establishes a social equity program that intends to foster racial inclusion by defining social equity applicants as applications with 60 percent ownership and control by DC residents who have resided for at least 10 of the last 20 years in a disproportionately impacted area or have been arrested or convicted of any offense that is eligible for expungement under this bill and/or are members of an impacted family. The social equity program would set aside half of all available licenses created by the bill to program participants; require the Alcohol Beverage and Cannabis Administration (ABCA) Board to only consider license applications by social equity applicants and medical cannabis establishments for one year; waive 75 percent of any nonrefundable fees for applicants; and require ABCA to create a public data portal to track program progress and efforts to achieve racial inclusion.

Earlier this year, the Council considered emergency legislation that would have set aside medical licenses and provide preferences for businesses with at least 51 percent ownership by one or more returning citizens previously incarcerated for the manufacture, distribution, or possession, with intent to manufacture or distribute a controlled substance.⁸ While the bill did not advance, it did generate discussion on how to broaden equity for returning citizens in the cannabis industry in the future.⁹

DCFPI developed a few ideas for prioritizing returning citizens in the cannabis industry and includes them here for Council consideration:

- Allow solely social equity applicants, especially those with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill, to receive license consideration in the first year following the issuance of final regulations;
- Expedite applications with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill;
- Set aside half of the social equity licenses for applicants with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill;
- Only allow delivery endorsements to be set aside for social equity applicants and/or applicants with ownership by people who have been arrested or convicted of any offense that is eligible for expungement under this bill (this may require creating a delivery license category because currently, only off-premises retailer or microbusiness licensees may obtain delivery endorsements); and/or,
- Consider expanding these protections to people who have been arrested and/or convicted of cannabis-related offenses, their families and the families of returning citizens, and long-term residents of overpoliced communities, particularly when cannabis was criminalized.

Additionally, the bill states that a prior drug possession conviction cannot be the sole ground for denial of a license. As a result, criminal records can still be considered and used against returning citizens and/or people directly impacted by past drug prohibition. The Council should eliminate this language to allow their full participation in the industry and eliminate any stigma that might infuse the process with bias that limits how many impacted people get a license.

Devote *all* Cannabis Tax Revenue and Licensing Fees to Social Equity, Community Reinvestment, and Returning Citizens

As proposed, the Comprehensive Cannabis Legalization and Regulation Act of 2021 would devote 50 percent of cannabis sales tax revenue to the Community Reinvestment Program Fund, 30 percent to the Cannabis Equity and Opportunity Fund, and 20 percent to the General Fund. Additionally, only the initial licensing and permitting fees would be deposited into the Cannabis Equity and Opportunity Fund, while the revenue from the renewal of licenses and permits, and penalties and fines, would be deposited into the General Fund. Until we ensure that this industry is as restorative and racially inclusive as possible, all monies should be deposited into dedicated funds to support that purpose. Additional uses of the revenue outlined above could also include setting aside revenue to support civil legal services and pay legal fees for DC residents filing a petition to have their record expunged, vacated, or set-aside as authorized under this bill. The revenue can also assist them with potential time lost from work when meeting with representation from the Public Defender Service and other firms, and other unexpected costs.

Modify the Community Reinvestment Program Fund to Entirely Support Direct, Unrestricted Cash Assistance

As designed, the Community Reinvestment Program Fund would provide grants to community-based organizations that address an excessively broad range of issues including economic development, mental health treatment, substance use disorder treatment, non-law enforcement violence prevention services, homeless prevention services, re-entry services, youth development, and civil legal aid in eligible program areas. A mayor-appointed Community Reinvestment Program Board—made up of community-based organizations, returning citizens, community members, and government officials—would be responsible for selecting grantees.

DCFPI supports the allocation of 50 percent of cannabis sales tax revenue toward community reinvestment, but the revenue should be used to explicitly benefit individuals and communities disproportionately targeted and harmed by criminalization of cannabis and the failed War on Drugs. DC should seek to be one of the first cities in the nation to pursue a robust and restorative, direct, unrestricted cash assistance program with cannabis tax revenue as a result of legalization. To date, a national scan of state and local cannabis reinvestment efforts yields just two noteworthy examples along these lines:

- Evanston, Illinois: The most well-known cannabis reinvestment effort. The city dedicated the first \$10 million of its Municipal Cannabis Retailers' Occupation Tax toward reinvestment, starting with a \$400,000 homeownership grants program.¹⁰ This program also accepts private donations to grow the fund. It still has shortfalls as a model as it dictates allowable uses for the fund and seeks to pursue broader restitution than just remedies for the failed War on Drugs.
- Cambridge, Massachusetts: Unlike in Evanston, this planned program will be designed as restitution for the racist War on Drugs. The program details are still in development but will include setting aside a percentage of local cannabis sales to be distributed to “current and former Cambridge residents who have been harmed by the war on drugs, with a targeted launch date of July 2022.”¹¹

In DC, the proposed Community Reinvestment Program Board could help design and shape how a cash assistance program would be structured, including by:

- Defining eligible recipient criteria – i.e., use the criteria for a social equity applicant or develop a new, more tailored category of eligible recipients;
- Determining payments – i.e., one-time lump sum vs. quarterly payments;
- Designing program intake – i.e., assess whether there is data available, such as arrest and conviction data, to proactively reach out to individuals and not require everyone to apply for assistance;
- Consider whether to allow private donations – i.e., assess whether private businesses, individuals, and organizations will be able to contribute to grow the fund;
- Exempt assistance from local DC income taxes for recipients with moderate and low incomes, and protect individuals from losing access to other income supports, such as TANF – i.e., legislating exemptions when possible, pursuing federal waivers as needed, and

setting aside funding for a counselor to help individuals understand how receiving the cash assistance would affect their other benefits; and,

- Deciding whether to partner with non-governmental partners to deliver cash assistance – i.e., similar to how the DC CARES cash assistance program for excluded workers currently operates.

B24-113: Medical Cannabis Amendment Act of 2021

Strengthen Employment and Entrepreneurship Opportunities for Returning Citizens

The Medical Cannabis Amendment Act of 2021 would improve the existing medical cannabis program by: renaming and using the race-neutral scientific term of “cannabis” throughout DC Law and DC Code; expanding where qualifying medical cannabis patients can obtain their medication; allowing for safe use treatment facilities at dispensaries; and removing some prohibitions on returning citizens’ ability to work and own in the industry. However, the proposed bill would still prohibit individuals with certain felony convictions within the last three years from applying to be a director, owner, officer, or agent of a dispensary, cultivation center, or testing laboratory.

The District should not discriminate against individuals with criminal records for cannabis-related offenses. These individuals have already faced consequences and the District does not need to enact a second form of punishment. For some, their prior involvement with cannabis could potentially bring some level of skill and expertise. And for those individuals who are returning citizens, it would benefit the District, communities, and families to help them reintegrate into society rather than erect additional barriers to their success. These individuals should have an opportunity to make a living and share in the prosperity of the new industry.

As B24-113 will likely be enacted before B24-118, DCFPI recommends that the Council include entrepreneurship protections for all returning citizens and people with certain felony convictions in the medical bill. They should amend existing B24-118 language to ensure that in both bills, prior convictions cannot be considered at all and used against returning citizens and people directly harmed by past drug prohibition who want to pursue licensure. Additionally, as with B24-118, it is worth considering prioritizing licensure applications by returning citizens either through set asides or expedition.

Continue to Monitor the Placement of Cannabis Facilities in Communities and Make Legislative Changes as Needed

The District should continue to monitor the placement of cannabis dispensaries and cultivation centers to ensure equitable access and fair distribution in communities. Currently, there are seven operational cannabis dispensaries in the District. However, prior to the opening of the last two dispensaries in wards 7 and 8, registered medical cannabis patients living east of the Anacostia River had to travel far to receive their medication.¹² The District commendably increased the cap on the number of dispensaries from five to seven and required that the additional two dispensaries be located in wards 7 and 8. And largely due to zoning requirements that dictate where cultivation centers can be housed for the medical cannabis program, six of the eight cannabis cultivation centers are located in ward 5.^{13, 14} Community concern about this overconcentration prompted DC Council changes that limited the number of cultivation centers by ward.

The Medical Cannabis Amendment Act of 2021 would allow the mayor to increase the number of dispensaries in DC from 8 to 16 by rulemaking and increase the number of dispensaries to 2 from 1 in any ward in which 5 or more cultivation centers have been registered to operate. This will likely assist in opening up the recreational market opportunities whenever B24-118 is enacted. But in the future, the District should use similar reflective decision-making to ensure equal access to dispensaries and fair distribution. For example, there are currently no dispensaries and cultivation centers located in Ward 3 while Ward 5 is home to 75 percent of DC's cultivation centers. The District can make further legislative changes or add prioritizations to future Alcohol Beverage Regulation Administration (ABRA) regulations to ensure that no scarcity remains in wards.

The Council can further preempt any traditional Not-In-My-Backyard (NIMBY) roadblocks by partnering with the Office of Planning to approve zoning changes that lead to fair cannabis distribution and access across the District. Additionally, it will be important to always consider whether the cost of land and property in some wards limit distribution and equitable access to the industry and make ward caps potentially more harmful than helpful. And any future dispensary and cultivation center placement in wards 7 and 8 specifically should be paired with significant anti-displacement strategies and local hiring practices to mitigate the negative effects of economic development, and rising land costs and property values.

Thank you for the opportunity to testify and I am happy to answer any questions.

¹ Doni Crawford, [First in Line: Why the District Must Take a Reparative Approach to Recreational Cannabis Policy for Black and Brown Communities](#), DC Fiscal Policy Institute, February 16, 2021.

² Barney Warf, [High Points: An Historical Geography of Cannabis](#), *Geographical Review*, 104 (4): 418-421, October 2014.

³ Eric Schlosser, [Reefer Madness](#), *The Atlantic*, August 1994 Issue.

⁴ U.S. Commission on Civil Rights, [Collateral Consequences: The Crossroads of Punishment, Redemption, and the Effects on Communities](#), June 2019.

⁵ Amanda Chicago Lewis, [America's Whites-Only Weed Boom: How Black People are Being Shut Out of America's Weed Boom – Whitewashing the Green Rush](#), BuzzFeed News, March 16, 2016.

⁶ Marijuana Business Daily, [Women & Minorities in the Marijuana Industry](#), September 2017, pg.10

⁷ Paul Schwartzman and John D. Harden, [D.C. legalized marijuana, but one thing didn't change: Almost everyone arrested on pot charges is Black](#), *The Washington Post*, September 15, 2020.

⁸ Council of the District of Columbia, [Returning Citizens Cannabis Equity Emergency Amendment Act of 2021](#), B24-0221, May 4, 2021.

⁹ Gaspard Le Dem, [D.C. Councilmember Withdraws Bill Prioritizing Formerly Incarcerated Entrepreneurs In Cannabis Industry](#), *The Outlaw Report*, May 5, 2021.

¹⁰ Erika Storlie, [Resolution 126-R-19, Establishing a City of Evanston Funding Source](#), City of Evanston, November 25, 2019.

¹¹ City Clerk's Office, [Policy Order - POR 2021 #166](#), City of Cambridge, September 13, 2021.

¹² Martin Austerhuhle, [Second Marijuana Dispensary Opens East of The Anacostia River In D.C.](#), WAMU, August 15, 2019.

¹³ Alcoholic Beverage Regulation Administration, [Medical Cannabis Program Update](#), January 27, 2021.

¹⁴ Martin Austerhuhle, [No Medical Marijuana Cultivation in Ward 7! D.C. Council Moves Against Hopeful Cultivator](#), DCist, March 20, 2012.



Independent Research. Poverty Solutions. Better DC Government.

**Testimony of Michael Johnson, Policy Analyst
At the Public Hearing on Bill 24-118, The Comprehensive Cannabis Legalization and
Regulation Act of 2021
Committee of the Whole, Committee on Judiciary and Public Safety, and Committee on
Business and Economic Development
November 19th, 2021**

Chairman Mendelson and members of the Committee, good afternoon and thank you for the opportunity to speak with you today. My name is Michael Johnson Jr., and I am a Policy Analyst at the DC Fiscal Policy Institute. DCFPI is a nonprofit organization that promotes opportunity and widespread prosperity for all residents of the District of Columbia through independent research and thoughtful policy solutions.

I am honored to discuss the record relief provisions within B24-118, The Comprehensive Cannabis Legalization and Regulation Act of 2021. DCFPI supports many provisions included in the comprehensive cannabis bill, such as: creating a streamlined and automatic expungement process for DC cannabis-related arrests, prosecutions, and convictions; and dedicating tax revenues toward individuals and communities most harmed by the failed War on Drugs.

The comprehensive bill is a crucial first step toward repairing the harms caused by decades of unjust cannabis criminalization and enforcement—particularly for DC’s Black residents. However, there are several components of this bill that should be strengthened to minimize the devastating effects of collateral consequences for those engaged in the market prior to legalization. I recommend that the comprehensive bill:

- Set a target completion date for processing all DC Code cannabis-related offenses eligible for automatic expungement —ideally to be completed within 180 days of enactment;¹
- Dedicate a percentage of cannabis sales tax revenues towards providing financial and technical assistance to assist those filing a petition to have their cannabis-related offense expunged, vacated, or set-aside; and,
- Include a clear definition of expungement.

Collateral Consequences and the Need for Urgent Record Relief

Barriers to work make up one of the starkest collateral consequences that returning citizens and those with non-conviction records face, warranting special attention to an effective and timely expungement policy in DC. As of 2017, nearly 50 percent of all DC employment regulations outlawed hiring people convicted of felonies—many without regard to the type of offense committed, according to the Urban Institute.² Although the Council has lifted some of these restrictions since then, returning citizens and those merely arrested for cannabis-related offenses continue to face significant barriers in securing employment, housing, and other areas. The harm

bleeds into other aspects of life as well. Due to their prior records, DC Housing Authority regulations give public officials the opportunity to bar many returning citizens from subsidized housing, contributing to nearly 1 in 5 returning citizens experiencing homelessness within 3 months of release.³

As many states and localities enact cannabis legalization with varying degrees of success, the District has an opportunity to use the lessons learned and infuse true equity and restorative justice throughout a legal DC cannabis market. We can look to other states to see how cannabis legalization has failed to remove roadblocks adequately and quickly. For example, in some states, those who qualify for automatic expungement can wait up to 4 to 5 years after the enactment of their state's comprehensive cannabis legislation.⁴ This lengthy timeline is especially harmful given the continued barriers to employment, education, housing, and public benefits facing those convicted or merely arrested for engaging in acts which are no longer illegal.

Further, B24-118 authorizes a previous cannabis-related conviction to be used within determinations for granting cannabis licenses, although the proposed bill states that one's previous cannabis conviction cannot be the *sole* ground for denial of a license. To further advance equity for returning citizens within the adult-use market, the Council should prohibit in licensing determinations the consideration of previous felony convictions to minimize bias within the determination process.

In order to meet the urgency this issue deserves is to set a target completion date for processing all DC Code cannabis-related offenses eligible for automatic expungement — ideally to be completed within 180 days after its enactment. This could improve employment, educational, and other outcomes and help grow a stronger, more inclusive economy districtwide.

Greater Clarity & Funding for Record Relief Assistance

For DC residents filing a petition to have their record expunged, vacated, or set-aside as authorized under the proposed bill, this process is not only lengthy but can often be costly as well —as individuals often must take time off from work, may require legal assistance in completing a motion with the court, and can incur other unexpected costs. DCFPI strongly supports the automatic expungement provisions included within the proposed legislation and recommends that a percentage of cannabis sales tax revenue be set aside to assist those filing a motion for record-relief for cannabis-related offenses.

Moreover, the Council should include a clear definition of expungements within the proposed legislation to ensure that returning citizens are no longer barred from critical resources and opportunities. In discussions with organizational partners, advocates, and DC residents, many expressed the difficulties of distinguishing between expungement and sealing provisions within the DC Code. Given that record sealing allows entities and employers greater access to an individual's prior record, providing a clear definition of expungement is a necessary step toward ensuring that individuals have the broadest record relief available and minimizing the barriers associated with collateral consequences.

Within the Cannabis Regulation and Tax Act passed by Illinois in 2019, a definition of expungement is clearly provided which the District could look to include within this proposed bill. Their 2019 Act defines expungement as:⁵

“(E) “Expunge” means to physically destroy the records or return them to the petitioner and to obliterate the petitioner’s name from any official index or public record, or both. Nothing in this Act shall require the physical destruction of the circuit court file, but such records relating to arrests or HB1438 Enrolled LRB101 04919 JRG 49928 b Public Act 101-0027 charges, or both, ordered expunged shall be impounded as required by subsections (d)(9)(A)(ii) and (d)(9)(B)(ii).”

B24-113: Medical Cannabis Amendment Act of 2021

DCFPI recognizes the steps towards ensuring that returning citizens have equitable access within the medical market as proposed by the Medical Cannabis Amendment Act of 2021. The proposed bill currently would: allow all returning citizens to work within a medical dispensary and authorize those with only certain felony convictions the opportunity to obtain ownership within medical dispensaries, cultivation centers, and testing facilities.

Although the proposed bill increases opportunities for returning citizens to gain employment and ownership within the medical industry, DCFPI urges the council to remove the current exclusions preventing those convicted of certain felony offenses within the previous three years from gaining ownership within medical dispensaries, cultivation centers, and testing facilities. The District should look toward returning citizens with cannabis-related offenses as individuals who may offer valuable insight in the transition to a legal cannabis market and remove these barriers to ownership and wealth-creation.

Adopting Proposed Reforms to Advance Racial Equity

In the District, where Black people made up 89 percent of all cannabis-related arrests between 2015 and 2019 despite representing less than half of DC’s population, approaching comprehensive record relief with greater urgency and intentionality is a racial equity imperative.⁶ While the proposed bills are a step toward repairing the injustice of the drug war, DCFPI strongly urges the Council to adopt these proposed reforms to ensure those most harmed by cannabis criminalization have equitable opportunities to thrive and prosper.

Thank you for this opportunity to testify. I will be happy to answer any questions.

¹Councilmember Christina Henderson, [The RESTORE Amendment Act of 2021](#), April 2021.

² Marina Duane, Emily Reimal, and Mathew Lynch, [“Criminal Background Checks and Access to Jobs: A Case Study of Washington DC”](#), Urban Institute, July 2017, pg. 6.

³ Public Welfare Foundation, [“D.C.’s Justice Systems: An Overview”](#), October 2019, pg. 27.

⁴ State of Illinois, [Expungement of Minor Cannabis Offenses](#), 2020.

⁵ State of Illinois, [Cannabis Regulation and Tax Act](#), Public Act 101-0027, June 2019.

⁶ Doni Crawford, [Testimony of Doni Crawford for the Judiciary and Public Safety Hearing on the Record Expungement Simplification to Offer Relief and Equity Amendment Act of 2021](#), DC Fiscal Policy Institute, April 15, 2021.

WRITTEN TESTIMONY OF Amanda Krause BEFORE THE COMMITTEE ON BUSINESS, CONSUMER, AND REGULATORY AFFAIRS AND THE COMMITTEE ON FINANCE AND REVENUE CONCERNING THE "MARIJUANA LEGALIZATION AND REGULATION ACT 2022

Thank you Councilmembers and Members of the Committee on Business, Consumer, and Regulatory Affairs and the Committee on Finance and Revenue for holding this Joint Public Hearing regarding Cannabis Commerce.

My name is Amanda Krause. I was the volunteer coordinator for the DC Cannabis Campaign, which is the political organization that collected over 57,000 signatures to get Initiative 71 on the DC ballot which passed by 71% of the vote. I've lived in and around the District of Columbia for all of my life up until recently and I've been actively working to reform the District's cannabis laws.

Some things I find important towards future legislation are as follows:

Maintaining a person's right to grow 6-12 cannabis plants in their home are a priority, that people can exchange cannabis with those who are 21 and up, and that they may also sell from their home grown crop the same as if they grew other vegetation.

Prohibition related to the conviction of a misdemeanor within the last 5 years, excluding simple marijuana possession, should be removed. Misdemeanor convictions related to free speech activities are the foundation of non-violent civil disobedience. DC law permits a "post and forfeit" for some arrests, and while this procedure does not count as a criminal conviction, if an activist chooses to fight the charges and is found guilty, they'll be prohibited from being able to obtain a marijuana license. A better prohibition should be related to those who have been convicted of fraud and embezzlement.

Residency requirement should be upped to three (3) years instead of six (6) months. I believe the licensees should first go to District residents who have lived here longer the time it takes this legislation to pass out of the District Council, pass Congressional oversight, and the time it takes ABRA to develop and implement regulations. I don't want businessmen who have no ties to DC to move here and take jobs away from long-time District residents.

Anything less than creating an entirely new department out of ABRA that will deal solely with cannabis and cannabis-related businesses would be a disservice to citizens, growers, processors, and retailers if people who solely have expertise in the regulation of alcoholic beverages are in charge of the new cannabis industry.

As written, this legislation prevents businesses from vertically integrating by prohibiting those with marijuana retailer's licenses from holding a financial interest in a marijuana producer's license. This prohibition will ultimately make cannabis more expensive in the District because businesses that are vertically integrated will save money by not being required to wholesale their cannabis to other marijuana retailers and be able to pass the savings on to customers.

Finally, why is there a difference in fees for Producers and Retailers? How many producers and retailers are foreseen to justify this fee structure?

With the District government saving an upwards of \$25 million from marijuana enforcement, it would seem that MPD will need the least funding and education deserves the most. Most importantly, this

money should first go toward communities that have been most impacted by the failed war on drugs before going to the government agencies that were responsible for enforcing it .

I would like to make the recommendation that all sales of cannabis be in line with the existing tax rate for alcohol at 10%. Given that Section 10 of this legislation repeals the Medical Marijuana Program, what benefit is there having a two tiered taxation structure? I was against taxing medical cannabis back in 2010 because the District of Columbia did not tax other medicines. But since alcohol sales are taxed at 10%, I believe the same tax rate should exist for cannabis. Moreover, please do not place taxes on wholesales between producers and retailers, instead place the tax on the consumer. No matter what, the tax rate should never make legal cannabis more expensive than the illicit market. By providing an appropriately taxed and regulated marketplace, cannabis should be cheaper and of better quality than anything being sold illegally in the District.

Thank you for your time -----Amanda Krause

I would 1st like to thank the council and the chairman for the drafting such a thoughtful bill and opportunity to testify on this Historic day in Our City. Myself and the Citizens of the City have waited 7yrs for this Day. I truly thank you. And PASS THE BILL.

The world knows me as DC Scroger the activist, Washingtonians Home Grow Guru, an Educator, a Hemp and Cannabis Consultant, Social Equity reformer, Multiple Cannabis Cup Judge including High Times World Cup and one of Faces of The Cannabis Culture here on the East Coast. I'd venture to say I know my way around a cannabis plant and the industry. As an Organic Grower in DC I've waited patiently for 7 years perfecting my craft and teaching others how to do

my time is limited. So I'll make my suggestions in this forum brief.

Testing

1. For 8 years medical program has existed in Washington DC that is claimed to have medical cannabis. However the medical program in DC has never provided proof of having clean cannabis with a self reporting policy and in 8 years not reporting a failed test is a joke. An independent lab has a been and is a must to bring forth a regulatory adult use market. My questions are:

What will the lab test for?

What are the banned pesticides, acceptable levels, amendment or ingredients that will not be allowed in Washington DC? Will we take California's list will we take Oregon's list what about Massachusetts or Michigan's. As an

Organic Grower and a steward of the Plant it matters. I've attached California and Oregon's list to my written testimony for a reference.

2. How will a consumer or Home Grower be able to test their own and or self check a product that's been test? Massachusetts allows anyone over the age of 21 to walk in Not Mail but walking samples to be fully tested. mrclabs.com is the laboratory. They thought of the protection of patients and consumers not the interests of a few true transparency a brilliant piece of legislation. We must protect our Citizens with true clean Cannabis and generate other sources of tax revenue for Our Cities Program. We have a chance here to create something beautiful together.

Mirco Licensing

1. As a cultivator 1500 ft² Micro License is not enough. Realistically I would need an area for my mother plants, an area to develop or test new genetics a (Research and Development licences) and a nursery to be able to sell my seeds and clones a (Nursery License). New Jersey has cultivation micro licenses limits of 2500 ft² not to exceed 5000 ft² and no cap on the number of micro Licensing. We are already at a disadvantage with our square footage limitations in the city please don't put us at a disadvantage compared to the rest of the East Coast emerging cannabis industry.

2. In the proposed legislation police are given auditing power. Police are not accountants or actuaries. Please get the authority or appropriate agencies agencies that govern the licenses for the program. As a victim of the drug war the

overpolicing of the African American and Cannabis in this city and the country has to stop. Even after initiative 71 where in 2014 91% of arrests in DC were African American and in 2018 92% So what has change not the why police police

The medical program in DC has failed its patients and consumers with products and quality. On numerous occasions has asked you the council and the mayor for more or emergency legislation to undo a monopoly once written for a few on the premise of more revenue for the city. Which allowed for avoid to be filled. Which brings me to my last point.

Social Equity

1. Let everyone who qualifies apply. If the council is serious about Social Equity just

giving a license isn't enough! All around the country social equity licenses have been given however the problem that plagues the program is that there is no such social equity funding I implore the council to include a percentage of the tax revenue earn in order to revitalize and repair the neighborhoods that have been destroyed by the drug war and give those social equity applicants a fair and fighting chance in an equitable fair market.

I'm open to meet with the council or the staff at a future date to share my experience and insight.



OREGON CANNABIS

Cannabis and Pesticides



Oregon
Department
of Agriculture

Pesticides Program
www.oregon.gov/ODA
pestx@oda.state.or.us
(503) 986-4635

What is a pesticide?

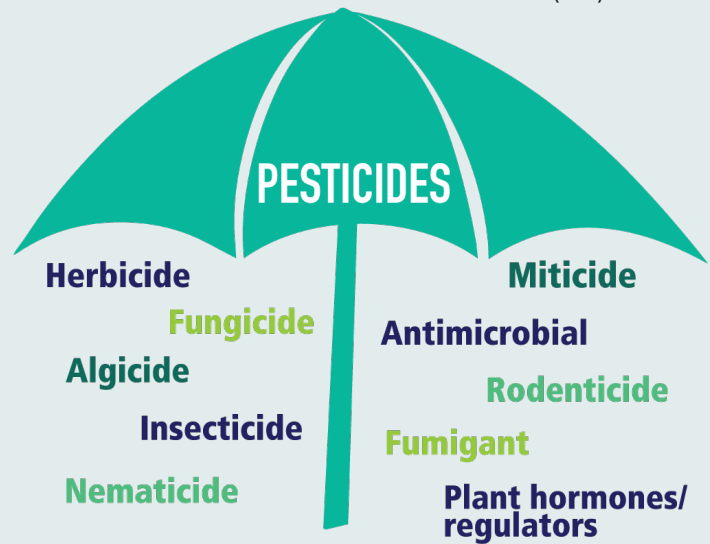
- Anything that kills, repels, or mitigates a pest
- Includes plant growth hormones/regulators

What is an active ingredient?

The chemical in a pesticide product that does the killing, repelling, or mitigating is the active ingredient.

What is a tolerance?

The US Environmental Protection Agency (EPA) sets limits on the amount of pesticides that may remain in or on food. These limits on pesticides left on foods are called "tolerances." There are no tolerances for cannabis. <https://oda.fyi/NPICtolerance>



What pesticides can I use on cannabis?

You can use any pesticide listed on the Oregon Department of Agriculture's (ODA) guide list according to label directions.

<https://oda.direct/CannabisPesticides>

Products on the list meet the following criteria:

- Exempt from a tolerance by US EPA
- Intended for unspecified food crops
- Passed a pyrolysis test

If you think you have a product that meets the criteria, but is not on the list, contact ODA's Pesticides Program and they will review the product.

**Organic and OMRI listing
DOES NOT automatically make it
approved for use on cannabis!**

**Many organic products have tolerances
established for use on food crops
and would not be on ODA's guide list for
pesticides and cannabis.**

Why are most pesticides not labeled for use on cannabis?

- Cannabis is illegal under federal law
- Risk assessments to establish a tolerance have not been completed for use on cannabis

The US Environmental Protection Agency (EPA) registers and regulates pesticides. For food crops, the EPA sets a tolerance. In order to set tolerances, the EPA completes a risk assessment, looking at the various ways we may be exposed to the pesticide. The risk assessment is also used to evaluate and approve the language that appears on pesticide labels to ensure safe use.

The State of Oregon regulates pesticide use under the Oregon Pesticide Control Act and rules established under the Act. It is a violation of state and federal law to use pesticides in a manner that is inconsistent with label directions. Because the EPA has not done any risk assessments with cannabis, Oregon is limited in what pesticides can be used legally.

Required testing: What are action levels?

All cannabis must be tested for the presence of a number of different contaminants, including pesticides. Action levels indicate a level of pesticides that, when exceeded, is considered sufficient to warrant regulatory or remedial action under Oregon cannabis regulations.

An overview of the testing rules for marijuana:

<https://oda.fyi/OHAmarijuanatesting>

An overview of the testing rules for industrial hemp:

<https://oda.direct/hemp>

Potential problems: Pesticide investigations

ODA pesticide investigations may begin because:

- Another agency makes a referral
- ODA receives a complaint
- There is a reason to believe misuse is happening

ODA may collect and analyze plant material for compliance tests, if necessary.

Action levels are NOT tolerances.

If you fail testing for an action level—

above action level—you will not be allowed to sell your product. The Oregon Liquor Commission (OLCC) or the Oregon Health Authority (OHA) will refer you to the Oregon Department of Agriculture (ODA) Pesticides Program.

Products must be legal for use.

Even if the result of an ODA Pesticides Program inspection test is **below** the action level—if the product is not legal for use, the crop will not be allowed to go to market. Illegal use of pesticides may also affect your license with OLCC or OHA.

Remember!

- Only use pesticides on ODA's guide list for pesticides and cannabis.
- Always follow the pesticide label directions.
- If you fail a pesticide test you will be referred to the ODA Pesticides Program for investigation under the Oregon Pesticide Control Act, ORS 634.

Questions about a label or product?

We know it is confusing – call us first! **(503) 986-4635**

We can help you understand how to use a product including things like:

- Is the product allowed for use on cannabis?
- Where can I apply the product?
- What rate do I use?

We cannot make pest-specific product recommendations.

Training and licensing

It's unlikely you need a license to apply pesticides. To learn about classes being offered on pesticide application and safety, visit:

<https://oda.direct/PesticideApplicatorClasses>

Some local community colleges also offer classes.

Growers must provide Worker Protection Standard (WPS) training to their employees. You must be a licensed pesticide applicator or have completed approved specialized training in order to train workers or handlers under the WPS.

<https://oda.direct/WPS>

Additional pesticide resources

National Pesticide Information Center (NPIC)

NPIC provides objective, science-based information about pesticides and pesticide-related topics to enable people to make informed decisions.

<http://npic.orst.edu>

Oregon OSHA Consultative Services

OR-OSHA consultation services are free and confidential. Consultations in workplace safety, industrial hygiene, and ergonomics can help you reduce accidents and related costs and help you develop a comprehensive program to manage safety and health.

<http://osha.oregon.gov/consult>

CANNABIS

PESTICIDES THAT **CANNOT** BE USED



Protecting workers, the public, and the environment from adverse effects of pesticide use in cannabis cultivation is critical to the mission of the California Department of Pesticide Regulation (DPR). DPR and the County Agricultural Commissioners (CAC) enforce the use and sale of pesticides under Divisions 6 and 7 of the California Food and Agricultural Code (FAC), and Title 3 of the California Code of Regulations (CCR). These laws and regulations apply to all pesticide use; cannabis is no exception.

All pesticide product labels include a warning statement, precautionary statements for protecting human and environmental health, storage and disposal statements, and directions for use. By law, all pesticide users must follow these statements.

When using pesticide products in cannabis cultivation, applicators must not use a rate that is higher than the rates listed on the label and follow the agricultural use requirements including method of application, restricted entry interval, personal protective equipment, and pre-harvest interval.

Always read the label prior to using any pesticide.

Some pesticides cannot be used in cannabis cultivation.

While there are some pesticide products that are legal to use on cannabis under state law, (see DPR's document: [Pesticides that are Legal to Use on Cannabis](#)) other products are never allowed in cannabis cultivation. The following criteria identify pesticide products that cannot be used in California cannabis cultivation under any circumstances. The use of any pesticides meeting any one of these criteria on cannabis will be strictly enforced as a violation of the FAC and could result in civil or criminal penalties (FAC sections 12996 and 12999.5):

- Not registered for a food use in California
- California Restricted Material including Federal Restricted Use Pesticides (3CCR section 6400)
On the groundwater protection list (3CCR section 6800)

Cannabis cultivators who are licensed by the California Department of Food and Agriculture are required to comply with pesticide laws and regulations as enforced by DPR and the CAC's.

For more information:
www.cdpr.ca.gov/cannabis

PESTICIDES THAT **CANNOT** BE USED ON CANNABIS

The following are criteria for identifying pesticides that cannot be used in cannabis cultivation and examples of active ingredients meeting these criteria. This is a representative list of active ingredients and not intended to be exhaustive. The fact that an active ingredient is not listed does not authorize its use on cannabis in California.

Pesticides Not Registered for Food Use in California

If a pesticide product does not have directions for use on a food crop, it cannot be used in cannabis cultivation. Examples of active ingredients that do not have food uses include:

- Aldicarb
- Carbofuran
- Chlordane
- Chlorfenapyr
- Coumaphos
- Daminozide
- DDVP (Dichlorvos)
- Etofenprox
- Fenoxycarb
- Imazalil
- Methyl parathion
- Mevinphos
- Paclobutrazol
- Propoxur
- Spiroxamine
- Thiacloprid

California Restricted Materials

DPR designates certain pesticides as California restricted materials (3 CCR section 6400). A pesticide can be considered a restricted material for many reasons including designation as a federal Restricted Use Pesticide. Many of these products have product labels that clearly state "Restricted Use Pesticide." Consult your local CAC to determine whether a product is a restricted material. Examples of California restricted materials include:

- Abamectin
- Bifenthrin
- Brodifacoum
- Bromodiolone
- Cyfluthrin
- Difenacoum
- Difethialone
- Fipronil
- Naled

Pesticides on the Groundwater Protection List

Active ingredients that are on the Groundwater Protection List (3CCR section 6800) have chemical characteristics that make them likely to move into groundwater. Examples of active ingredients on the groundwater protection list include:

- Acephate
- Azoxystrobin
- Boscalid
- Carbaryl
- Chlorantraniliprole
- Diazinon
- Dimethoate
- Dimethomorph
- Ethoprop(hos)
- Fludioxonil
- Imidacloprid
- Malathion
- Metalaxyl
- Methiocarb
- Methomyl
- Myclobutanil
- Propiconazole
- Tebuconazole
- Thiamethoxam

Guide List for Pesticides and Cannabis
Always read and follow the label directions!
Updated Aug. 3, 2021
Alphabetized by Active Ingredient then by Product Name

| LINE NO. | PRODUCT NAME | COMPANY | EPA REG NO | ACTIVE INGREDIENT | PESTICIDE TYPE | AG WORKER PROTECTION STANDARD APPLIES | NOTE |
|----------|---|---------------------------------|-----------------|---|---|---------------------------------------|---|
| 1 | 20% VINEGAR | NATURE'S WISDOM | 85208-1-90394 | ACETIC ACID | HERBICIDE | Yes | |
| 2 | GREEN GOBBLER 20% VINEGAR WEED KILLER | ECOCLEAN SOLUTIONS INC. | 85208-1-93489 | ACETIC ACID | HERBICIDE | Yes | |
| 3 | VINAGREEN | FLEISCHMANN'S VINEGAR CO., INC. | 85208-1 | ACETIC ACID | HERBICIDE | Yes | |
| 4 | VINAGREEN | CASCADE COLUMBIA DISTRIBUTION | 85208-1-73015 | ACETIC ACID | HERBICIDE | Yes | |
| 5 | VINEGAR WEED & GRASS KILLER | ENERGEN CAROLINA, LLC | 85208-1-92429 | ACETIC ACID | HERBICIDE | YES | |
| 6 | Weed-Aside Herbicidal Soap | GardensAlive, Inc. | 67702-8-56872 | Ammoniated soap of fatty acids | Herbicide | No | |
| 7 | R-T-U RO-PEL DEER & RABBIT REPELLENT | GRANT LABORATORIES INC. | 8119-8-1663 | AMMONIUM SOAPS OF HIGHER FATTY ACIDS | VERTEBRATE REPELLENT | No | |
| 8 | AZASOL WSP | ARBOR JET | 81899-4-74578 | AZADIRACHTIN | INSECTICIDE | No | |
| 9 | AMAZIN 1.2% ME PLUS | AMVAC CHEMICAL CORP | 5481-559 | AZADIRACHTIN | INSECTICIDE, NEMATICIDE | Yes | |
| 10 | AZA-DIRECT BOTANICAL INSECTICIDE | GOWAN CO. | 71908-1-10163 | AZADIRACHTIN | INSECTICIDE, INSECT REPELLENT | Yes | |
| 11 | AZAGUARD | BIOSAFE SYSTEMS LLC | 70299-17 | AZADIRACHTIN | INSECTICIDE, NEMATICIDE | Yes | |
| 12 | AZAMAX | GENERAL HYDROPONICS | 91865-4 | AZADIRACHTIN | INSECTICIDE, MITICIDE, NEMATICIDE | YES | |
| 13 | AZAMAX | PARRY AMERICA INC. | 71908-1-81268 | AZADIRACHTIN | INSECTICIDE, MITICIDE, NEMATICIDE | NO | (Product back on list after meeting regulatory requirements, contact ODA for details) |
| 14 | AZAPRO | CANN-CARE COMPANY | 92629-1 | AZADIRACHTIN | INSECTICIDE, MITICIDE, NEMATICIDE | YES | |
| 15 | AZASOL | ARBORJET INC | 81899-4-74578 | AZADIRACHTIN | INSECTICIDE, NEMATICIDE | Yes | |
| 16 | AZATIN XL BIOLOGICAL INSECTICIDE | OHP INC. | 70051-27-59807 | AZADIRACHTIN | INSECTICIDE | Yes | |
| 17 | ECOZIN PLUS 1.2% ME | AMVAC CHEMICAL CORP | 5481-559 | AZADIRACHTIN | INSECTICIDE, NEMATICIDE | Yes | |
| 18 | MOLT-X | BIOWORKS INC | 68539-11 | AZADIRACHTIN | INSECTICIDE | Yes | |
| 19 | ORNAZIN 3% EC BOTANICAL INSECTICIDE | SEPRO CORPORATION | 5481-476-67690 | AZADIRACHTIN | INSECTICIDE, NEMATICIDE | Yes | |
| 20 | SAFER BRAND BIONEEM MULTI-PURP. INSECT&REPELL CONC. | SAFER INC / WOODSTREAM CORP. | 70051-6-42697 | AZADIRACHTIN | INSECTICIDE, INSECT REPELLENT | No | |
| 21 | SOLUNEEM | THE ECOLOGY WORKS | 8199-4-67419 | AZADIRACHTIN | INSECTICIDE | YES | |
| 22 | ECOGARDEN | PARRY AMERICA INC. | 71908-1-81268 | AZADIRACHTIN | REPELLANT, ANTIFEEDANT, AND INSECT GROWTH REGULATOR | No | |
| 23 | DEBUG TURBO | AGRO LOGISTIC SYSTEMS INC | 70310-5 | AZADIRACHTIN, NEEM OIL COLD PRESSED | FUNGICIDE, INSECTICIDE, NEMATICIDE | Yes | |
| 24 | AZERA INSECTICIDE | MCLAUGHLIN GORMLEY KING | 1021-1872 | AZADIRACHTIN, PYRETHRINS | INSECTICIDE | Yes | See alert at bottom of list |
| 25 | AZERA PRO | MGK | 1021-1872 | AZADIRACHTIN, PYRETHRINS | INSECTICIDE | Yes | |
| 26 | Companion Biological Fungicide Wettable Powder | Plant Health Intermediate Inc. | 87645-4-94485 | Bacillus amyloliquefaciens | Fungicide | Yes | |
| 27 | Revitalize Biofungicide Concentrate | Bonide Products, Inc. | 70051-107-4 | Bacillus amyloliquefaciens | Fungicide | No | |
| 28 | Revitalize Biofungicide Ready to Use | Bonide Products, Inc. | 70051-114-4 | Bacillus amyloliquefaciens | Fungicide | No | |
| 29 | Stargus | Marrone Bio Innovations, Inc. | 84059-28 | Bacillus amyloliquefaciens | Fungicide | Yes | |
| 30 | ARBER BIO FUNGICIDE | EVERGREEN WAY INC | 84059-28-97021 | BACILLUS AMYLOLIQUEFACIENS F727 | FUNGICIDE | NO | |
| 31 | DOUBLE NICKEL 55 BIOFUNGICIDE | CERTIS USA LLC | 70051-108 | BACILLUS AMYLOLIQUEFACIENS STRAIN D747 | FUNGICIDE | Yes | |
| 32 | DOUBLE NICKEL LC BIOFUNGICIDE | CERTIS USA LLC | 70051-107 | BACILLUS AMYLOLIQUEFACIENS STRAIN D747 | FUNGICIDE | Yes | |
| 33 | TRIATHLON BA | OHP, INC. | 70051-107-59807 | BACILLUS AMYLOLIQUEFACIENS STRAIN D747 | BIOFUNGICIDE/BACTERICIDE | YES | |
| 34 | DEFGUARD | GENERAL HYDROPONICS | 91865-3 | BACILLUS AMYLOLIQUEFACIENS STRAIN D747* | FUNGICIDE BACTERICIDE | YES | |

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| 35 | MONTEREY COMPLETE DISEASE CONTROL | LAWN & GARDEN PRODUCTS INC. | 70051-107-54705 | BACILLUS AMYLOLIQUEFACIENS STRAIN D747* | BIOFUNGICIDE/BACTERICIDE | NO | |
| 36 | MONTEREY COMPLETE DISEASE CONTROL RTU | LAWN & GARDEN PRODUCTS INC. | 70051-114-54705 | BACILLUS AMYLOLIQUEFACIENS STRAIN D747* | MONTEREY COMPLETE DISEASE CONTROL RTU | NO | |
| 37 | COMPANION MAXX LIQUID BIOLO | PLANT HEALTH INTERMEDIATE INC | 94485-4 | BACILLUS AMYLOLIQUEFACIENS STRAIN ENV503 | FUNGICIDE | YES | |
| 38 | AMPLITUDE ST | MARRONE BIO INNOVATIONS | 84059-28 | BACILLUS AMYLOLIQUEFACIENS STRAIN F727 CELLS AND SPENT FERMENTATION MEDIA | FUNGICIDE, BACTERICIDE | YES | CANNABIS GROWN FOR SEED ONLY |
| 39 | LIFEGARD WG | CERTIS | 70051-119 | BACILLUS MYCOIDES ISOLATE J | BIOLOGICAL PLANT ACTIVATOR | YES | HEMP ONLY |
| 40 | PRO-MIX BIOFUNGICIDE + MYCORRHIZAE | PREMIER HORTICULTURE INC. | 74267-4 | BACILLUS PUMILUS STRAIN GHA 180 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 41 | PRO-MIX BRK BIOFUNGICIDE + MYCORRHIZAE | PREMIER HORTICULTURE INC. | 74267-4 | BACILLUS PUMILUS STRAIN GHA 180 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 42 | PRO-MIX BRK20 BIOFUNGICIDE + MYCORRHIZAE | PREMIER HORTICULTURE INC. | 74267-4 | BACILLUS PUMILUS STRAIN GHA 180 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 43 | PRO-MIX BX -GENERAL PURPOSE GROWING MEDIUM BIOFUNGICIDE + MYCORRHIZAE | PREMIER HORTICULTURE INC. | 74267-4 | BACILLUS PUMILUS STRAIN GHA 180 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 44 | PRO-MIX HP -GENERAL PURPOSE GROWING MEDIUM BIOFUNGICIDE + MYCORRHIZAE | PREMIER HORTICULTURE INC. | 74267-4 | BACILLUS PUMILUS STRAIN GHA 180 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 45 | PRO-MIX LP15 BIOFUNGICIDE + MYCORRHIZAE | PREMIER HORTICULTURE INC. | 74267-4 | BACILLUS PUMILUS STRAIN GHA 180 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 46 | SONATA | BAYER CROPSCIENCE LP | 264-1153 | BACILLUS PUMILUS STRAIN QST 2808 (SPORES, SOLIDS, SOLUBLES, AND WATER) | FUNGICIDE | YES | CANNABIS GROWN FOR OIL O |
| 47 | PREMIER PRO-MIX BX W/BIOFUNGICIDE | PREMIER HORTICULTURE INC. | 74267-1 | BACILLUS SUBTILIS MBI 600 | FUNGICIDE, PGR - GENERAL | Yes | |
| 48 | PRO-MIX W/BIOFUNGICIDE | PREMIER HORTICULTURE INC. | 74267-1 | BACILLUS SUBTILIS MBI 600 | FUNGICIDE, PGR - GENERAL | Yes | |
| 49 | COMPANION BIOLOGICAL FUNGICIDE WETTABLE POWDER | GROWTH PRODUCTS LTD | 71065-4 | BACILLUS SUBTILIS GB03 | BIOLOGICAL FUNGICIDE | YES | |
| 50 | COMPANION LIQ BIOLOGICAL FUNG | GROWTH PRODUCTS LTD | 71065-3 | BACILLUS SUBTILIS GB03 | FUNGICIDE | Yes | |
| 51 | COMPANION LIQ BIOLOGICAL FUNG GREENHOUSE NURSERY&ORNA CROP2-3-2 | GROWTH PRODUCTS LTD | 71065-3 | BACILLUS SUBTILIS GB03 | FUNGICIDE | Yes | |
| 52 | COMPANION LIQ BIOLOGICAL FUNG HYDROPONICS 2-3-2 | GROWTH PRODUCTS LTD | 71065-3 | BACILLUS SUBTILIS GB03 | FUNGICIDE, PGR - GROWTH STIMULATOR | Yes | |
| 53 | RHAPSODY | AGRAQUEST INC. | 69592-19 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | Yes | |
| 54 | RHAPSODY | BAYER CROPSCIENCE LP | 264-1155 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE, BACTERICIDE | Yes | |
| 55 | SERENADE ASO | BAYER CROPSCIENCE LP | 264-1152 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | Yes | |
| 56 | SERENADE GARDEN DISEASE CONTROL -RTU-/ORGANIC GARDENING | BAYER CROPSCIENCE LP | 264-1154 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | No | |
| 57 | SERENADE GARDEN DISEASE CONTROL CONC. | BAYER CROPSCIENCE LP | 264-1152 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | No | |
| 58 | SERENADE GARDEN DISEASE CONTROL R-T-SPRAY | BAYER CROPSCIENCE LP | 264-1152 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | No | |
| 59 | SERENADE MAX | BAYER CROPSCIENCE LP | 264-1151 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | Yes | |
| 60 | SERENADE OPTI | BAYER CROPSCIENCE LP | 264-1160 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | Yes | |

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| 61 | SERENADE OPTIMUM /ORGANIC PRODUCTION | BAYER CROPS SCIENCE LP | 264-1160 | BACILLUS SUBTILIS QST713 STRAIN | FUNGICIDE | Yes | |
| 62 | AVIV | SEIPASA, S.A. | 91473-1-86182 | BACILLUS SUBTILIS STRAIN IAB/BS03 | FUNGICIDE | Yes | |
| 63 | BT NOW | BIOSAFE SYSTEMS | 89046-12-70299 | BACILLUS THURINGIENSIS SSP. | INSECTICIDE | YES | |
| 64 | AGREE WG BIOLOGICAL INSECTICIDE | CERTIS USA LLC | 70051-47 | BACILLUS THURINGIENSIS SSP. AIZAWAI | INSECTICIDE | YES | |
| 65 | XENTARI DRY FLOWABLE /ORGANIC PRODUCTION | VALENT BIOSCIENCES CORP. | 73049-40 | BACILLUS THURINGIENSIS SSP. AIZAWAI | INSECTICIDE | Yes | |
| 66 | B.T.I GRANULES | SUMMIT CHEMICAL COMPANY | 6218-86 | BACILLUS THURINGIENSIS SSP. ISRAELENIS | LARVICIDE | Yes | |
| 67 | GNATROL WDG BIOLOGICAL LARVICIDE /ORGANIC PRODUCTION | VALENT BIOSCIENCES CORP. | 73049-56 | BACILLUS THURINGIENSIS SSP. ISRAELENIS | INSECTICIDE | Yes | |
| 68 | DIPEL DRY FLOW | VALENT BIOSCIENCES CORP. | 73049-39 | BACILLUS THURINGIENSIS SSP. KURSTAKI 0 | INSECTICIDE | Yes | |
| 69 | BIOBIT HP BIO INSECTICIDE WETTABLE POWDER/ORGANIC PRODUCTION | VALENT BIOSCIENCES CORP. | 73049-54 | BACILLUS THURINGIENSIS SSP. KURSTAKI 1 | INSECTICIDE | Yes | |
| 70 | DIPEL PRO DF BIOLOGICAL INSECTICIDE DRY FLOW | VALENT BIOSCIENCES CORP. | 73049-39 | BACILLUS THURINGIENSIS SSP. KURSTAKI 1 | INSECTICIDE | Yes | |
| 71 | FORAY XG BIOLOGICAL INSECTICIDE | VALENT BIOSCIENCES CORP. | 73049-46 | BACILLUS THURINGIENSIS SSP. KURSTAKI 1 | INSECTICIDE | No | |
| 72 | CRYMAX BIOINSECTICIDE | CERTIS USA LLC | 70051-86 | BACILLUS THURINGIENSIS SSP. KURSTAKI 7841 | INSECTICIDE | Yes | |
| 73 | BIOPROTEC PLUS | AEF GLOBAL, INC. | 89046-12 | BACILLUS THURINGIENSIS SSP. KURSTAKI STRAIN EVB-113-19 | BIOLOGICAL INSECTICIDE | YES | |
| 74 | LEPROTEC | VESTARON CORPORATION | 89046-12-88847 | BACILLUS THURINGIENSIS SSP. KURSTAKI STRAIN EVB-113-19 | INSECTICIDE | Yes | |
| 75 | MONTEREY B.I. RTU /ORGANIC GARDENING | LAWN & GARDEN PRODUCTS INC. | 70051-113-54705 | BACILLUS THURINGIENSIS SSP. KURSTAKI STRAIN SA-12 | INSECTICIDE | No | |
| 76 | JAVELIN WG | CERTIS USA LLC | 70051-66 | BACILLUS THURINGIENSIS, SUBSPECIES KURSTAKI STRAIN SA-11 SOLIDS, SPORES, AND LEPIDOPTERAN ACTIVE TOXINS | INSECTICIDE | Yes | |
| 77 | BIOCERES WP | BIOSAFE SYSTEMS | 89600-2 | BEAUVERIA BASSIANA | INSECTICIDE | YES | |
| 78 | BOTANIGARD ES | LAM INTERNATIONAL | 82074-1 | BEAUVERIA BASSIANA STRAIN GHA | INSECTICIDE | Yes | |
| 79 | MYCOTROL WPO | LAM INTERNATIONAL | 82074-2 | BEAUVERIA BASSIANA STRAIN GHA | INSECTICIDE, MITICIDE | YES | |
| 80 | VELIFER | BASF CORP | 71840-22 | BEAUVERIA BASSIANA STRAIN PPRI 5339 | INSECTICIDE/MITICIDE | Yes | |
| 81 | CONC WORRYFREE VEGOL YEAR-ROUND PESTICIDAL OIL | LILLY MILLER BRANDS - CENTRAL GARDEN & PET | 67702-4-33116 | CANOLA OIL | FUNGICIDE, INSECTICIDE | No | |
| 82 | MIGHTY | NPK INDUSTRIES | 89819-1 | CANOLA OIL, PYRETHRINS | INSECTICIDE | NO | See alert at bottom of list |
| 83 | MONTEREY TAKE DOWN GARDEN SPRAY | LAWN & GARDEN PRODUCTS INC. | 67702-5-54705 | CANOLA OIL, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 84 | MONTEREY TAKE DOWN GARDEN SPRAY-RTU | LAWN & GARDEN PRODUCTS INC. | 67702-6-54705 | CANOLA OIL, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 85 | ORTHO ELEMENTALS GARDEN INSECT KILLER | ORTHO GROUP THE | 67702-6-239 | CANOLA OIL, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 86 | WORRYFREE BRAND GARDEN INSECT CONTROL R-T-U | LILLY MILLER BRANDS - CENTRAL GARDEN & PET | 67702-6-33116 | CANOLA OIL, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 87 | Burnout Formula II Fast Acting Weed and Grass Killer Concentrate | Bonide Products, Inc. | 67702-54-4 | Caprylic Acid, Capric Acid | Herbicide | No | |
| 88 | BurnOut Formula II Fast Acting Weed and Grass Killer Ready to Use | Bonide Products, Inc. | 67702-59-4 | Caprylic Acid, Capric Acid | Herbicide | No | |

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| 89 | SUPPRESS | WESTBRIDGE AGRICULTURAL PROD. | 51517-9 | CAPRYLIC ACID, CAPRIC ACID | HERBICIDE | Yes | |
| 90 | Captain Jack's Deadweed Brew Concentrate | Bonide Products, Inc. | 67702-54-4 | Caprylic Acid, Capric Acid | Herbicide | No | |
| 91 | Captain Jack's Deadweed Brew Ready to Use | Bonide Products, Inc. | 67702-59-4 | Caprylic Acid, Capric Acid | Herbicide | No | |
| 92 | FIREWORXX | OHP, INC. | 67702-54-59807 | CAPRYLIC ACID/ CAPRIC ACID | HERBICIDE | Yes | |
| 93 | HOMEPLATE | CERTIS USA LLC | 67702-54-70051 | CAPRYLIC ACID/CAPRIC ACID | HERBICIDE | Yes | |
| 94 | CAPTIVA | GOWAN CO. | 10163-326 | CAPSAICIN, GARLIC OIL/POWDER, SOYBEAN OIL | INSECTICIDE, INSECT REPELLENT | Yes | |
| 95 | MOLE & VOLE STOPPER GRANULAR | MESSINA WILDLIFE MANAGEMENT | NA | CASTOR OIL, GERANIOL, PEPPERMINT OIL | RODENTICIDE | No | |
| 96 | ORTHO MOLE B GON MOLE & VOLE REPELLENT GRANULES | ORTHO GROUP THE | NA | CASTOR OIL, GERANIOL, PEPPERMINT OIL | RODENTICIDE | No | |
| 97 | ORTHO MOLE B GON MOLE & VOLE REPELLENT READY-TO-SPRAY | ORTHO GROUP THE | NA | CASTOR OIL, GERANIOL, PEPPERMINT OIL | RODENTICIDE | No | |
| 98 | MOLE & VOLE STOPPER | MESSINA WILDLIFE MANAGEMENT | NA | CASTOR OIL, ROSEMARY OIL, MINT OIL | RODENT REPELLENT | NO | |
| 99 | Liquid Fence Mole Repellent Concentrate3 | Liquid Fence Co Inc | NA | Castor Oil, Sodium Lauryl Sulfate | Mole Repellent | No | |
| 100 | BIOREND | AGNUBIO INC | 91664-1 | CHITOSAN | PLANT DEFENSE BOOSTER | YES | |
| 101 | BIOREND PLANT DEFENSE BOOSTER | AG NUBIO, INC. | 91664-1 | CHITOSAN | PLANT GROWTH REGULATOR | YES | |
| 102 | GRANDEVO CG | MARRONE BIO INNOVATIONS | 84059-27 | CHROMOBACTERIUM SUB STRAIN PRAA4-1 CELLS | INSECTICIDE | Yes | |
| 103 | GRANDEVO PTO | ENGAGE AGRO USA -TSG- | 84059-17-87865 | CHROMOBACTERIUM SUB STRAIN PRAA4-1 CELLS | INSECTICIDE | Yes | |
| 104 | GRANDEVO PTO | MARRONE BIO INNOVATIONS | 84059-17 | CHROMOBACTERIUM SUB STRAIN PRAA4-1 CELLS | INSECTICIDE | Yes | |
| 105 | Grandevo WDG | Marrone Bio Innovations, Inc. | 84059-27 | Chromobacterium subtsugae | Insecticide | Yes | |
| 106 | SEICAN | SEIPASA, S.A. | 91473-2 | CINNAMEALDEHYDE | INSECTICIDE, MITICIDE, FUNGICIDE | Yes | |
| 107 | CANELYS | ATLANTICA AGRICOLA USA INC | NA | CINNAMON OIL | INSECTICIDE, MITICIDE, FUNGICIDE | NO | |
| 108 | CINNERATE | SEIPASA S.A. | NA | CINNAMON OIL | INSECTICIDE/MITICIDE/FUNGICIDE | No | |
| 109 | DR. EARTH FINAL STOP WEED AND GRASS HERBICIDE | DR. EARTH CO. | NA | CINNAMON OIL, CITRIC ACID, CLOVE OIL, ROSEMARY OIL, SESAME OIL, THYME OIL | HERBICIDE | No | |
| 110 | ED ROSENTHAL'S ZERO TOLERANCE HERBAL PESTICIDE CONCENTRATE | NATURAL GARDEN SOLUTIONS LLC | NA | CINNAMON OIL, CLOVE OIL, ROSEMARY OIL, THYME OIL | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 111 | ED ROSENTHAL'S ZERO TOLERANCE HERBAL PESTICIDE RTU | NATURAL GARDEN SOLUTIONS LLC | NA | CINNAMON OIL, CLOVE OIL, ROSEMARY OIL, THYME OIL | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 112 | ED ROSENTHAL'S ZERO TOLERANCE HERBAL PESTICIDE FUNGICIDE | NATURAL GARDEN SOLUTIONS LLC | NA | CINNAMON OIL, CLOVE OIL, THYME OIL | FUNGICIDE | No | |
| 113 | DR. EARTH FINAL STOP YARD & GARDEN INSECT KILLER | DR. EARTH COMPANY | NA | CINNAMON OIL, GARLIC OIL, PEPPERMINT OIL, ROSEMARY OIL, SESAME & SESAME OIL, THYME OIL | MITICIDE, INSECTICIDE | No | |
| 114 | DR. EARTH FINAL STOP SLUG & SNAIL KILLER SPRAY | DR. EARTH COMPANY | NA | CINNAMON OIL, GARLIC OIL, PEPPERMINT OIL, ROSEMARY OIL, SESAME OIL, THYME OIL | MOLLUSCICIDE | No | |
| 115 | GUARD 'N SPRAY | RHIZOFLOA INC | NA | CINNAMON OIL, ROSEMARY OIL, SESAME OIL | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 116 | BIG TIME EXTERMINATOR | APOGEE GARDEN PRODUCTS INC | NA | CITRIC ACID | FUNGICIDE, MITICIDE | NO | |

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| 117 | CHESTER BOONE'S ALL PURPOSE | STEP FARM SYSTEMS, LLC | N/A | CITRIC ACID | INSECTICIDE, FUNGICIDE, MITICIDE | NO | |
| 118 | CLEANTECH EXECUTE ATTACK SYSTEM | NPK INDUSTRIES | N/A | CITRIC ACID | INSECTICIDE, FUNGICIDE, MITICIDE | NO | |
| 119 | ELIMINATOR | AMAZING DOCTOR ZYMES, THE | NA | CITRIC ACID | MITICIDE, INSECTICIDE | No | |
| 120 | FLYING SKULL NUKE EM | AMERICAN AGRICULTURE | NA | CITRIC ACID | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 121 | FUNGOUT | AEF GLOBAL, INC. | N/A | CITRIC ACID | FUNGICIDE, BACTERICIDE | NO | |
| 122 | MAC'S MIRACLE MILDEW WASH | MAC INC | NA | CITRIC ACID | | No | |
| 123 | PM 80 | FLYING SKULL PLANT PRODUCTS | NA | CITRIC ACID | FUNGICIDE | NO | |
| 124 | PROCIDIC | GREENSPIRE GLOBAL INC. | NA | CITRIC ACID | BACTERICIDE, FUNGICIDE | NO | |
| 125 | PROCIDIC2 | GREENSPIRE GLOBAL INC. | NA | CITRIC ACID | BACTERICIDE, FUNGICIDE | NO | |
| 126 | SUPER SAFE CONCENTRATE | AMERICAN AGRICULTURE | NA | CITRIC ACID | INSECTICIDE | NA | |
| 127 | Earth's Ally Disease Control | Sarasota Green Group | NA | Citric Acid | Fungicide | No | |
| 128 | Earth's Ally Disease Control Concentrate | Sarasota Green Group | NA | Citric Acid | Fungicide | No | |
| 129 | GARDEN ANGEL PLANT SPRAY PLUS SEAWEED | TURPENS ORGANIC GARDENS LLC | NA | CITRIC ACID | INSECTICIDE, FUNGICIDE | No | |
| 130 | Grower's Ally Fungicide | Sarasota Green Group | NA | Citric Acid | Fungicide | No | |
| 131 | Grower's Ally Fungicide Concentrate | Sarasota Green Group | NA | Citric Acid | Fungicide | No | |
| 132 | Protection Plus | Environmental Plant Management | NA | Citric Acid | Insecticide, Fungicide | No | |
| 133 | CITRIBOOST | VITAL EARTH RESOURCES INC | NA | CITRIC ACID | ANTIMICROBIAL | NO | |
| 134 | Burnout Fast Acting Weed and Grass Killer Concentrate | Bonide Products, Inc. | NA | Citric Acid, Clove Oil | Herbicide | No | |
| 135 | Burnout Fast Acting Weed and Grass Killer Ready to Use | Bonide Products, Inc. | NA | Citric Acid, Clove Oil | Herbicide | No | |
| 136 | Burnout II Fast Acting Weed and Grass Killer Concentrate | Bonide Products, Inc. | NA | Citric Acid, Clove Oil | Herbicide | No | |
| 137 | CAPTAIN JACK'S DEADWEED BR | BONIDE PRODUCTS LLC | NA | CITRIC ACID, CLOVE OIL | HERBICIDE | NO | |
| 138 | WEED CONTROL | PUREAG | NA | CITRIC ACID, CORN OIL, PEPPERMINT OIL | HERBICIDE | No | |
| 139 | ATOMIC GREEN | SIMPLY NATURAL SOLUTIONS | NA | CITRIC ACID, GARLIC, PEPPERMINT OIL | MITICIDE | NO | |
| 140 | LIQUID LADYBUG SPIDER MITE SPRAY | ECO ORGANICS -ASAP PRODUCTS LLC- | NA | CITRIC ACID, GERANIOL, PEPPERMINT OIL | MITICIDE | No | |
| 141 | BIOMITE | NATURAL PLANT PROTECTION | 70057-1 | CITRONELLA OIL, FARNESOL, GERANIOL, NEROLIDOL | INSECTICIDE | Yes | |
| 142 | ORTHO TREE & SHRUB FRUIT TREE SPRAY CONC | ORTHO GROUP THE | 70051-75-239 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL, PIPERONYL BUTOXIDE, PYRETHRINS | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 143 | Captain Jack's Neem Oil Concentrate | Bonide Products, Inc. | 70051-2-4 | Clarified Hydrophobic Extract of Neem Oil | Insecticide, Fungicide, Miticide | No | |
| 144 | Captain Jack's Neem Oil Ready to Use | Bonide Products, Inc. | 70051-13-4 | Clarified Hydrophobic Extract of Neem Oil | Insecticide, Fungicide, Miticide | No | |
| 145 | GREEN LIGHT NEEM CONC. | GREEN LIGHT A VALENT USA COMPANY | 70051-2-85827 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL | FUNGICIDE, INSECTICIDE | Yes | |
| 146 | MONTEREY NEEM OIL - RTU /ORGANIC GARDENING | LAWN & GARDEN PRODUCTS INC. | 70051-13-54705 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL | FUNGICIDE, INSECTICIDE | No | |
| 147 | NATURAL GUARD BRAND NEEM | VOLUNTARY PURCHASING GROUPS | 70051-2-7401 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL | FUNGICIDE, INSECTICIDE | No | |
| 148 | TRIACT 70 | OHP | 70051-2-59807 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL | FUNGICIDE, INSECTICIDE, MITICIDE | YES | |

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| 149 | FERTI-LOME TRIPLE ACTION | VOLUNTARY PURCHASING GROUPS | 70051-111-7401 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL, PYRETHRINS | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 150 | FERTI-LOME TRIPLE ACTION R-T-S | VOLUNTARY PURCHASING GROUPS | 70051-111-7401 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL, PYRETHRINS | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 151 | FRUIT TREE SPRAY PLUS | LAWN & GARDEN PRODUCTS INC. | 70051-111-54705 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL, PYRETHRINS | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 152 | SHIELD-ALL PLUS BROAD SPECTRUM INSECTICIDE FUNGICIDE MITICIDE | GARDENS ALIVE! INC. | 70051-111-56872 | CLARIFIED HYDROPHOBIC EXTRACT OF NEEM OIL, PYRETHRINS | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 153 | NATURE-CIDE ALL PURPOSE INSECTICIDE | PACIFIC SHORE HOLDINGS | NA | CLOVE OIL, COTTONSEED OIL | INSECTICIDE | No | |
| 154 | BONIDE MITE X RTU | BONIDE PRODUCTS INC | NA | CLOVE OIL, COTTONSEED OIL, GARLIC OIL | MITICIDE | No | |
| 155 | PESTOUT BROAD SPECTRUM MITICIDE/INSECTICIDE | JH BIOTECH INC. | NA | CLOVE OIL, COTTONSEED OIL, GARLIC OIL | MITICIDE, INSECTICIDE | No | |
| 156 | SAFERGRO PEST OUT | JH BIOTECH INC. | NA | CLOVE OIL, COTTONSEED OIL, GARLIC OIL | MITICIDE, INSECTICIDE | No | |
| 157 | ALL PER-PLUS CONCENTRATE | ALLPER-PLUS | NA | CLOVE OIL, GERANIUM OIL, ROSEMARY OIL | | No | |
| 158 | ALL PER-PLUS READY TO USE | ALLPER-PLUS | NA | CLOVE OIL, GERANIUM OIL, ROSEMARY OIL | | No | |
| 159 | SPIDER MITE KILLER | EXOTIC NUTRIENTS LLC | NA | CLOVE OIL, LEMONGRASS OIL, ROSEMARY OIL, SPEARMINT OIL | MITICIDE | NA | |
| 160 | POWER SI CONTROL | HPI DISTRIBUTION CORP | NA | CLOVE OIL, PEPPERMINT OIL | INSECTICIDE | NO | |
| 161 | ANNIHILATION | THE NANOTECHNICAL GROUP | NA | CLOVE OIL, ROSEMARY OIL | INSECTICIDE | NA | |
| 162 | SNS 203 | SIERRA NATURAL SCIENCE | NA | CLOVE OIL, ROSEMARY OIL | INSECTICIDE | No | |
| 163 | RID-BUGS AN ORGANIC INSECTICIDE | AZ ENTERPRISES INC. | NA | CLOVE OIL, ROSEMARY OIL, SESAME OIL | INSECTICIDE | No | |
| 164 | AURA | AURA PLANTS | NA | CLOVE OIL, ROSEMARY OIL, THYME OIL | MITICIDE | No | |
| 165 | SNS 244C | SIERRA NATURAL SCIENCE | NA | CLOVE OIL, ROSEMARY OIL, THYME OIL | FUNGICIDE | No | |
| 166 | ECO-PM BOTANICAL FUNGICIDE CONCENTRATE | ARBORJET INC | NA | CLOVE OIL, THYME | FUNGICIDE | No | |
| 167 | ECO-PM READY TO USE BOTANICAL FUNGICIDE | ARBORJET INC | NA | CLOVE OIL, THYME | FUNGICIDE | No | |
| 168 | ECOTROL G | KEY PLEX | N/A | CLOVE OIL, THYME OIL, CINNAMON OIL | INSECTICIDE | No | |
| 169 | ECOWORKS EC | ECOSTADT | 89152-4 | COLD PRESSED NEEM OIL | INSECTICIDE, MITICIDE, NEMATOCIDE, FUNGICIDE | Yes | |
| 170 | TERRANEEM EC | TERRAMERRA INC | 88760-5 | COLD PRESSED NEEM OIL | BIOLOGICAL INSECTICIDE, MITICIDE, NEMATOCIDE, FUNGICIDE | Yes | |
| 171 | RANGO | TERRAMERA, INC. | 88760-10 | COLD PRESSED NEEM OIL | FUNGICIDE, INSECTICIDE, MITICIDE | YES | |
| 172 | FBSCIENCE CARBON POWER | FBSCIENCE | 84846-2 | COMPLEX POLYMERIC POLYHYDROXY ACIDS | PGR | Yes | |
| 173 | FBSCIENCE OPTIFY | FBSCIENCE | 84846-9 | COMPLEX POLYMERIC POLYHYDROXY ACIDS | PGR | Yes | |
| 174 | FBSCIENCE OPTIFY 500 | FBSCIENCE | 84846-10 | COMPLEX POLYMERIC POLYHYDROXY ACIDS | PGR | Yes | |
| 175 | OPTIFY | UNITED SUPPLIERS | 33270-40 | COMPLEX POLYMERIC POLYHYDROXY ACIDS | PLANT GROWTH REGULATOR | YES | |
| 176 | OPTIFY/STRETCH | UNITED SUPPLIERS | 33270-40 | COMPLEX POLYMERIC POLYHYDROXY ACIDS, CYTOKININ | PLANT GROWTH REGULATOR | YES | |

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| 177 | OPTIFY/STRETCH | WINFIELD SOLUTIONS LLC | 33270-40 | COMPLEX POLYMERIC POLYHYDROXY ACIDS, CYTOKININ | PLANT GROWTH REGULATOR | Yes | |
| 178 | BONIDE LIQUID COPPER FUNGICIDE CONC | BONIDE PRODUCTS INC | 67702-2-4 | COPPER OCTANOATE | FUNGICIDE | No | |
| 179 | BONIDE LIQUID COPPER FUNGICIDE R-T-U /ORGANIC PRODUCTION | BONIDE PRODUCTS INC | 67702-1-4 | COPPER OCTANOATE | FUNGICIDE | No | |
| 180 | CAMELOT O FUNGICIDE/BACTERICIDE | SEPRO CORPORATION | 67702-2-67690 | COPPER OCTANOATE | FUNGICIDE | Yes | |
| 181 | CUEVA FUNGICIDE CONC FLOWABLE LIQUID COPPER FUNGICIDE | CERTIS USA LLC | 67702-2-70051 | COPPER OCTANOATE | FUNGICIDE | Yes | |
| 182 | ECOSENSE GARDEN DISEASE CONTROL | ORTHO GROUP THE | 67702-1-239 | COPPER OCTANOATE | FUNGICIDE | No | |
| 183 | HYDROWORXX | W.NEUDORFF GMBHKG | 67702-1 | COPPER OCTANOATE | FUNGICIDE | NO | |
| 184 | MIRACLE-GRO NATURE-S CARE GARDEN DISEASE CONTROL | MIRACLE-GRO LAWN PROD INC | 67702-1-62355 | COPPER OCTANOATE | FUNGICIDE | No | |
| 185 | NATURAL GUARD COPPER SOAP LIQUID FUNGICIDE | VOLUNTARY PURCHASING GROUPS | 67702-2-7401 | COPPER OCTANOATE | FUNGICIDE | No | |
| 186 | ORTHO DISEASE B GON COPPER FUNGICIDE CONC | ORTHO GROUP THE | 67702-2-239 | COPPER OCTANOATE | FUNGICIDE | No | |
| 187 | ORTHO DISEASE B GON COPPER FUNGICIDE R-T-U | ORTHO GROUP THE | 67702-1-239 | COPPER OCTANOATE | FUNGICIDE | No | |
| 188 | ORTHO ELEMENTALS GARDEN DISEASE CONTROL | ORTHO GROUP THE | 67702-1-239 | COPPER OCTANOATE | FUNGICIDE | No | |
| 189 | Bonide Liquid Copper Fungicide Ready to Use | Bonide Products, Inc. | 67702-1-4 | Copper Soap | Fungicide | No | |
| 190 | Captain Jack's Copper Fungicide Ready to Use | Bonide Products, Inc. | 67702-1-4 | Copper Soap | Fungicide | No | |
| 191 | Bonide Maize Weed Preventer RTS | Bonide Products, Inc. | NA | Corn Gluten Meal | Herbicide | No | |
| 192 | MILDEW CURE | JH BIOTECH INC. | NA | CORN OIL, COTTONSEED OIL, GARLIC OIL | FUNGICIDE | No | |
| 193 | Circadian Sunrise Horticultural Spray Oil | Circadian Crop Sciences, LLC. | NA | Corn Oil, Peppermint Oil | Insecticide, Fungicide, Miticide | No | |
| 194 | Flock Free Tank Mix | Flock Free Bird Control | NA | Corn Oil, Peppermint Oil, White Pepper, Garlic Oil, Clove Oil, Rosemary Oil, Thyme Oil, Sodium Chloride | Bird Repellent | No | |
| 195 | GrowSafe Biopesticide: Insecticide, Miticide, Fungicide | Agro Magen | NA | Corn Oil, Soybean Oil | Insecticide, Miticide, Fungicide | No | |
| 196 | MAMMOTH CANNCONTROL | GROWCENTIA, INC | N/A | CORN OIL, SOYBEAN OIL | INSECTICIDE, FUNGICIDE, MITICIDE | NO | |
| 197 | MAMMOTH GARDEN PROTECT ME | GROWCENTIA | NA | CORN OIL, THYME OIL | FUNGICIDE, INSECTICIDE, MITICIDE, | NO | |
| 198 | BUSH DOCTOR FORCE OF NATURE FUNGICIDE | FOX FARM SOIL & FERTILIZER CO | NA | COTTONSEED OIL, CORN OIL, GARLIC OIL | FUNGICIDE | No | |
| 199 | BUSH DOCTOR FORCE OF NATURE MITICIDE | FOX FARM SOIL & FERTILIZER CO | N/A | COTTONSEED OIL, CORN OIL, GARLIC OIL | MITICIDE | NO | |
| 200 | SAFERGRO MILDEW CURE | JH BIOTECH, INC. | NA | COTTONSEED OIL, CORN OIL, GARLIC OIL | FUNGICIDE | NO | |
| 201 | ECO-MITE PLUS BOTANICAL INSECTICIDE MITICIDE | ARBORJET INC | NA | COTTONSEED OIL, ROSEMARY, ROSEMARY OIL, PEPPERMINT OIL | INSECTICIDE | No | |

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| 202 | ECO-MITE PLUS BOTANICAL INSECTICIDE MITICIDE CONCENTRATE | ARBORJET INC | NA | COTTONSEED OIL, ROSEMARY, ROSEMARY OIL, PEPPERMINT OIL | INSECTICIDE | No | |
| 203 | FOLIAR SOIL X-CYTO | CONKLIN COMPANY INC. | 51517-3-11600 | CYTOKININS | PGR - GROWTH STIMULATOR | Yes | |
| 204 | FOLIAR TRIGRRR PGR | WESTBRIDGE AGRICULTURAL PROD. | 51517-4 | CYTOKININS | PGR - GENERAL | Yes | |
| 205 | FOLIAR X-CYTO PGR | CONKLIN COMPANY INC. | 51517-4-11600 | CYTOKININS | PGR - GROWTH STIMULATOR | Yes | |
| 206 | CYTOPLEX HMS | PBT INC (Plant Biotech Inc.) | 58199-7 | CYTOKININS, GIBBERELIC ACID, IBA (INDOLE-3-BUTYRIC ACID) | PGR - CROP QUALITY, PGR-GENERAL | Yes | |
| 207 | CELITE 610 | IMERYS MINERALS CALIFORNIA INC | 73729-1 | DIATOMACEOUS EARTH | INSECTICIDE | No | |
| 208 | DIAFIL 610 | IMERYS MINERALS CALIFORNIA INC | 73729-1 | DIATOMACEOUS EARTH | INSECTICIDE | No | |
| 209 | DIATOMACEOUS EARTH | BONIDE PRODUCTS INC | 73729-1-4 | DIATOMACEOUS EARTH | INSECTICIDE | No | |
| 210 | WEED SLAYER | AGRO RESEARCH INTERNATIONAL LLC | NA | EUGENOL | HERBICIDE | No | |
| 211 | ARBER BIO PROTECTANT | EVERGREEN WAY INC | 84059-3-97021 | EXTRACT OF REYNOUTRIA SACHALINENSIS | FUNGICIDE | NO | |
| 212 | ALLUMA | SEIPASA, S.A. | NA | GARLIC OIL | INSECTICIDE, MITICIDE | NO | |
| 213 | BRANDT ORGANICS ALEO | BRANDT CONSOLIDATED, INC. | N/A | GARLIC OIL | BACTERICIDE, FUNGICIDE | No | |
| 214 | BUSH DOCTOR FORCE OF NATURE INSECT REPELLENT | FOX FARM SOIL & FERTILIZER CO | N/A | GARLIC OIL | INSECT REPELLENT | No | |
| 215 | FormulaX | One Vision Enterprises Inc | NA | Garlic Oil, Castor Oil, Soybean Oil | Insecticide, Miticide | No | |
| 216 | ALMIGHTY | GROPRO | NA | GERANIOL | NEMATICIDE | NO | |
| 217 | BANISH | SUPREME GROWERS LLC | N/A | GERANIOL | FUNGICIDE | No | |
| 218 | Garden Defender | Crop Armor | NA | Geraniol | Insecticide, Miticide | No | |
| 219 | MILDEW CONTROL | VEGALAB | NA | GERANIOL | FUNGICIDE | No | |
| 220 | Orchard Defender | Crop Armor | NA | Geraniol | Insecticide, Miticide | No | |
| 221 | ZEALOUS | GROPRO | NA | GERANIOL | FUNGICIDE | NO | |
| 222 | ATHENA MILDEW CONTROL LIQUID CONCENTRATE | ATHENA PRODUCTS INC | NA | GERANIOL | FUNGICIDE | No | |
| 223 | Garden Defender Concentrate | Crop Armor | NA | Geraniol | Insecticide, Miticide | No | |
| 224 | MITEXSTREAM | BLACK BIRD POTENTIALS INC | 95366-1-99731 | GERANIOL, CITRONELLOL | MITICIDE, FUNGICIDE | YES | |
| 225 | ATHENA SPIDER MITE CONTROL | ATHENA PRODUCTS INC | NA | GERANIOL, PEPPERMINT OIL, COTTONSEED OIL, ROSEMARY OIL | MITICIDE | No | |
| 226 | SMITE SPIDER MITE MITICIDE | SUPREME GROWERS LLC | N/A | GERANIOL, PEPPERMINT OIL, COTTONSEED OIL, ROSEMARY OIL | MITICIDE | No | |
| 227 | SPIDER MITE CONTROL | VEGALAB | NA | GERANIOL, PEPPERMINT OIL, COTTONSEED OIL, ROSEMARY OIL | ACARICIDE | No | |
| 228 | FURIOUS | GROPRO | NA | GERANIOL, PEPPERMINT OIL, COTTONSEED OIL, ROSEMARY OIL | INSECTICIDE | NO | |
| 229 | GENESIS GIB-4% | GS LONG COMPANY INC. -DBA GENESIS AGRI PRODUCTS | 55146-62-71089 | GIBBERELIC ACID | PGR - GENERAL | Yes | |
| 230 | GIBGRO 20% POWDER - GIBBERELIC ACID | NUFARM AMERICAS INC: AGT DIVISION | 55146-53 | GIBBERELIC ACID | PGR - CROP QUALITY, PGR-GENERAL | Yes | |
| 231 | GIBGRO 4LS -4% LIQUID GIBBERELIC ACID- | NUFARM AMERICAS INC: AGT DIVISION | 55146-62 | GIBBERELIC ACID | PGR - CROP QUALITY, PGR-GENERAL | Yes | |
| 232 | N-LARGE PGR SOLUTION | STOLLER ENTERPRISES INC. | 57538-18 | GIBBERELIC ACID | PGR - GENERAL | Yes | |
| 233 | Lalstop G46 WG | Danstar Ferment AG | 64137-13 | Gliocladium catenulatum J1446 | Fungicide | Yes | |
| 234 | PRESTOP WG | LALLEMAND PLANT CARE | 64137-13 | GLIOCLADIUM CATENULATUM STRAIN J1446 | FUNGICIDE | YES | |
| 235 | PVENT | BIOSAFE SYSTEMS LLC | 64137-13-70299 | GLIOCLADIUM CATENULATUM STRAIN J1446 | FUNGICIDE | Yes | |
| 236 | SOILGARD MICROBIAL FUNGICIDE | CERTIS USA LLC | 70051-3 | GLIOCLADIUM VIRENS G-21 | FUNGICIDE | Yes | |

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| 237 | SPEAR | VESTARON NATURE BY DESIGN | 88847-2 | GS-OMEGA/KAPPA-HXTX-HV1A | INSECTICIDE | Yes | |
| 238 | SPEAR T | VESTARON NATURE BY DESIGN | 88847-2 | GS-OMEGA/KAPPA-HXTX-HV1A | INSECTICIDE | YES | |
| 239 | SPEAR T LIQUID CONCENTRATE | VESTARON CORP | 88847-6 | GS-OMEGA/KAPPA-HXTX-HV1A | INSECTICIDE/MITICIDE | YES | |
| 240 | SPEAR-LEP | VESTARON CORP | 88847-6 | GS-OMEGA/KAPPA-HXTX-HV1A | INSECTICIDE/MITICIDE | YES | |
| 241 | AXIOM PLANT GROWTH STIMULATOR | RX GREEN SOLUTIONS | 71771-3-89112 | HARPIN PROTEIN | PGR - GROWTH STIMULATOR | No | |
| 242 | MAJESTENE (THIS PRODUCT MAY ONLY BE USED ON HEMP CROPS GROWN FOR OIL) | MARRONNE BIO INNOVATIONS | 84059-14 | HEAT-KILLED <i>BURKHOLDERIA</i> SPP. STRAIN A396 CELLS AND SPENT FERMENTATION MEDIA | INSECTICIDE | YES | |
| 243 | VENERATE CG BIOINSECTICIDE | MARRONE BIO INNOVATIONS | 84059-14 | HEAT-KILLED <i>BURKHOLDERIA</i> SPP. STRAIN A396 CELLS AND SPENT FERMENTATION MEDIA | INSECTICIDE | Yes | |
| 244 | VENERATE XC | MARRONE BIO INNOVATIONS | 84059-14 | HEAT-KILLED <i>BURKHOLDERIA</i> SPP. STRAIN A396 CELLS AND SPENT FERMENTATION MEDIA | INSECTICIDE | YES | |
| 245 | ARBER BIO INSECTICIDE | EVERGREEN WAY INC | 84059-14-97021 | HEAT-KILLED <i>BURKHOLDERIA</i> SPP. STRAIN A396 AND SPENT FERMENTATION | INSECTICIDE | NO | |
| 246 | HOMOBRASSINOLIDE | REPAR INC | 69361-49 | HOMOBRASSINOLIDE | PLANT GROWTH REGULATOR | YES | |
| 247 | PEROX-CIDE | CH20 INC | 83103-1 | HYDROGEN DIOXIDE | FUNGICIDE | Yes | |
| 248 | GRANADA 5 | FREEDOM AG RESEARCH, LLC | 81803-6-93161 | HYDROGEN DIOXIDE, PEROXYACETIC ACID | FUNGICIDE, BACTERICIDE, ALGAECIDE | Yes | |
| 249 | OXIDATE 2.0 | BIOSAFE SYSTEMS LLC | 70299-12 | HYDROGEN DIOXIDE, PEROXYACETIC ACID | FUNGICIDE | Yes | |
| 250 | TERRACLEAN 5.0 | BIOSAFE SYSTEMS LLC | 70299-13 | HYDROGEN DIOXIDE, PEROXYACETIC ACID | BACTERICIDE, FUNGICIDE, SOIL TREATMENT | Yes | |
| 251 | ZEROTOL 2.0 | BIOSAFE SYSTEMS LLC | 70299-12 | HYDROGEN DIOXIDE, PEROXYACETIC ACID | FUNGICIDE | Yes | |
| 252 | HDH PEROXY | HDH AGRI PRODUCTS | 83103-1 | HYDROGEN PEROXIDE (DIOXIDE) | FUNGICIDE, ALGAECIDE SLIMICIDE, DISINFECTANT | Yes | |
| 253 | PERPOSE PLUS | A GROWING ALTERNATIVE INC | 86729-1 | HYDROGEN PEROXIDE (DIOXIDE) | FUNGICIDE | Yes | |
| 254 | JET-AG | AUSTIN GRANT INC./JET HARVEST SOLUTIONS | 81803-6 | HYDROGEN PEROXIDE (DIOXIDE), PEROXYACETIC ACID | FUNGICIDE, ALGAECIDE | Yes | |
| 255 | BIOSAFE DISEASE CONTROL | BIOSAFE SYSTEMS LLC | 70299-16 | HYDROGEN PEROXIDE, PEROXYACETIC ACID | FUNGICIDE | No | |
| 256 | HARVEST 6.0 | DISINFECTING SERVICES, LLC | 10324-214-90353 | HYDROGEN PEROXIDE, PEROXYACETIC ACID | DISINFECTANT, CLEANER, FOOD CONTACT SANITIZER, FUNGISTAT, VIRUCIDE, DEODORIZER | NO | |
| 257 | OXIDATE READY TO SPRAY | BIOSAFE SYSTEMS LLC | 70299-16 | HYDROGEN PEROXIDE, PEROXYACETIC ACID | FUNGICIDE | No | |
| 258 | SANIDATE 5.0 | BIOSAFE SYSTEMS LLC | 70299-19 | HYDROGEN PEROXIDE, PEROXYACETIC ACID | SANITIZER/DISINFECTANT | No | |
| 259 | ZEROTOL HC | BIOSAFE SYSTEMS | 70299-16 | HYDROGEN PEROXIDE, PEROXYACETIC ACID | FUNGICIDE, BACTERICIDE, ALGAECIDE | NO | |
| 260 | Evocade | Marrone Bio Innovations, Inc. | 84059-32 | Hydrogen Peroxide, Peroxyacetic Acid | Fungicide, Bactericide, Algaecide | Yes | |
| 261 | PERPOSE PLUS | BIOWORKS | 68539-15 | HYDROGEN PEROXIDE/HYDROGEN DIOXIDE | ALGAECIDE/FUNGICIDE | YES | |
| 262 | OXIDATE 5.0 | BIOSAFE SYSTEMS | 70299-28 | HYDROGEN PEROXIDE/PEROXYACETIC ACID | BACTERICIDE/FUNGICIDE | YES | |
| 263 | TERRASTART | BIOSAFE SYSTEMS | 70299-18 | HYDROGEN PEROXIDE/PEROXYACETIC ACID | FUNGICIDE | YES | |
| 264 | BONIDE BONTONE II ROOTING POWDER | BONIDE PRODUCTS INC | 4-489 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | No | |
| 265 | CLONEX ROOTING GEL | GROWTH TECHNOLOGY LTD | 79664-1 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | No | |

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| 266 | GARDENTECH ROOTBOOST ROOTING HORMONE | TECHPAC L.L.C. | 59807-4-71004 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | No | |
| 267 | HORMODIN 1 | OHP INC. | 59807-4 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | Yes | |
| 268 | HORTUS IBA WATER SOLUBLE SALTS | HORTUS USA CORP | 63310-22 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | Yes | |
| 269 | MAD FARMER ROOT IT | SOUTH COAST HORTICULTURAL SUPPLY | 82437-4-87662 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | Yes | |
| 270 | MIRACLE-GRO FASTROOT 1 DRY POWDER ROOTING HORMONE | MIRACLE-GRO LAWN PROD INC | 63310-19-62355 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GENERAL | No | |
| 271 | RAPIDGROW ROOTBURST POWDER PGR | RAPIDGROW INDUSTRIES | 83527-1 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | Yes | |
| 272 | RHIZOPON AA No.2 -0.3- | HORTUS USA CORP | 63310-20 | IBA (INDOLE-3-BUTYRIC ACID) | PGR - GROWTH STIMULATOR | Yes | |
| 273 | HORMEX ROOTING POWDER NO. 8 | HORMEX | 8281-1 | INDOLE-3-BUTYRIC ACID | PLANT GROWTH REGULATOR | No | |
| 274 | DYNA-GRO K-L-N ROOTING CONCENTRATE | DYNA-GRO | 87394-3 | INDOLE-3-BUTYRIC ACID, 1-NAPHTHALENEACETIC ACID | PLANT GROWTH REGULATOR | NO | |
| 275 | Escar-Go Slug & Snail Bait | Gardens Alive, Inc. | 67702-3-56872 | Iron Phosphate | Molluscicide | No | |
| 276 | FERROX AQ | W NEUDORFF GMBH KG | 67702-49 | IRON PHOSPHATE | SLUG AND SNAIL BAIT | YES | |
| 277 | SLUGGO | LAWN & GARDEN PRODUCTS INC. | 67702-3-54705 | IRON PHOSPHATE | INVERTEBRATE CONTROL | No | |
| 278 | SLUGGO MAXX | W.NEUDORFF GMBH KG | 67702-55 | IRON PHOSPHATE | MOLLUSCICIDE | Yes | |
| 279 | Captain Jack's Slug Magic Makes Slugs Disappear | Bonide Products, Inc. | 67702-3-4 | Iron Phosphate | Molluscicide | No | |
| 280 | BONIDE SLUG MAGIC MAKES SLUGS DISAPPEAR | BONIDE PRODUCTS INC | 67702-3-4 | IRON PHOSPHATE (FEPO4) | INVERTEBRATE CONTROL | No | |
| 281 | FIRST CHOICE SLUGGO SNAIL AND SLUG BAIT | LOVELAND PROD./CROP PROTECTION SVCS | 67702-3-34704 | IRON PHOSPHATE (FEPO4) | INVERTEBRATE CONTROL | Yes | |
| 282 | LOVELAND LEAF LIFE SLUGGO SNAIL AND SLUG BAIT | LOVELAND PROD./CROP PROTECTION SVCS | 67702-3-34704 | IRON PHOSPHATE (FEPO4) | INVERTEBRATE CONTROL | Yes | |
| 283 | ORTHO ELEMENTALS SLUG & SNAIL KILLER | ORTHO GROUP THE | 67702-3-239 | IRON PHOSPHATE (FEPO4) | INVERTEBRATE CONTROL | Yes | |
| 284 | ANCORA | OHP, INC. | 70051-19-59807 | ISARIA FUMOSOROSEA | INSECTICIDE | Yes | |
| 285 | PREFERAL MICROBIAL INSECTICIDE | SEPRO CORPORATION | 70051-19-67690 | ISARIA FUMOSOROSEA | INSECTICIDE | Yes | |
| 286 | PFR-97 20% WDG | CERTIS | 70051-19 | ISARIA FUMOSOROSEA APOPKA STRAIN 97 | INSECTICIDE | YES | |
| 287 | ANCORA MICROBIAL INSECTICIDE | OHP, INC. | 70051-19-59807 | ISARIA FUMOSOROSEA APOPKA STRAIN 97 (ATCC 20874) | INSECTICIDE | YES | |
| 288 | NO FLY WP | FUTURECO BIOSCIENCE S.A. | 88664-1 | ISARIA FUMOSOROSEA STRAIN FE 9901 | MYCOINSECTICIDE | YES | |

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| 289 | ECO E-RASE | IJO PRODUCTS LLC | 68186-1 | JOJOBA OIL | FUNGICIDE, INSECTICIDE | Yes | |
| 290 | NOVASOURCE SURROUND WP CROP PROTECTANT | TESSENDERLO KERLEY INC. | 61842-18 | KAOLIN | FUNGICIDE, INSECTICIDE, PGR - GENERAL, VERTABRATE REPELLENT | Yes | |
| 291 | Surround At Home Crop Protectant | GardensAlive, Inc. | 61842-18-56872 | Kaolin | Crop Protectant | No | |
| 292 | FLAT LINE | DAKINE 420 HIGH YIELD SCIENCE | NA | LEMON GRASS OIL, GARLIC OIL | INSECT REPELLENT | NO | |
| 293 | ECO-1 40 | ARBORJET INC | N/A | LINSEED OIL, ROSEMARY OIL, THYME OIL | BROAD-SPECTRUM INSECTICIDE, MITICIDE, FUNGICIDE | NO | |
| 294 | ECO-1 FRUIT & VEGETABLE SPRAY BOTANICAL INSECT, MITE & DISEASE CONTROL | ARBORJET | NA | LINSEED OIL, ROSEMARY OIL, THYME OIL, PEPPERMINT OIL | INSECT, MITE & DISEASE CONTROL | NO | |
| 295 | ECO-1 FRUIT & VEGETABLE SPRAY CONCENTRATE BOTANICAL INSECT, MITE & DISEASE CONTROL | ARBORJET | NA | LINSEED OIL, ROSEMARY OIL, THYME OIL, PEPPERMINT OIL | INSECT, MITE & DISEASE CONTROL | NO | |
| 296 | ECO-1 GARDEN SPRAY CONCENTRATE, VEGAN | ARBORJET INC | N/A | LINSEED OIL, THYME OIL, PEPPERMINT OIL | INSECTICIDE, FUNGICIDE, MITICIDE | NO | |
| 297 | ECO-1 READY TO USE GARDEN SPRAY, VEGAN | ARBORJET INC | N/A | LINSEED OIL, THYME OIL, PEPPERMINT OIL | INSECTICIDE, MITICIDE, FUNGICIDE | NO | |
| 298 | MET 52 EC | NOVOZYMES BIOLOGICALS INC. | 70127-10 | METHARHIZIUM ANISOPLIAE STRAIN F52 | BIOLOGICAL INSECTICIDE | YES | |
| 299 | PROTEC-T | ACQUA CONCEPTS INC | 87809-1 | METHYL MERCAPTAN | GOPHER REPELLENT | YES | |
| 300 | ALL SEASONS HORTICULTURE & DORMANT SPRAY OIL CONCENTRATE | BONIDE PRODUCTS INC | 4-80XXXX | MINERAL OIL | INSECTICIDE, FUNGICIDE | No | |
| 301 | RTSA HORTICULTURE OIL | RAINBOW TREECARE SCIENTIFIC ADVANCEMENTS | 74779-9 | MINERAL OIL | INSECTICIDE, MITICIDE | YES | |
| 302 | FIRST CHOICE NARROW RANGE 415 SPRAY OIL | LOVELAND PROD./CROP PROTECTION SVCS | 34704-1025 | MINERAL OIL/PETROLEUM DISTILLATE | FUNGICIDE, INSECTICIDE | Yes | |
| 303 | LEAF LIFE GAVICIDE GREEN 415 | LOVELAND PROD./CROP PROTECTION SVCS | 34704-1028 | MINERAL OIL/PETROLEUM DISTILLATE | FUNGICIDE, INSECTICIDE | Yes | |
| 304 | LOVELAND NARROW RANGE 415 SPRAY OIL | LOVELAND PROD./CROP PROTECTION SVCS | 34704-1025 | MINERAL OIL/PETROLEUM DISTILLATE | FUNGICIDE, INSECTICIDE | Yes | |
| 305 | MASTER NURSERY PEST FIGHTER YEAR-ROUND SPRAY OIL /ORGANIC GARDENING | SUMMIT CHEMICAL COMPANY | 6218-71 | MINERAL OIL/PETROLEUM DISTILLATE | INSECTICIDE | No | |
| 306 | SUMMIT YEAR-ROUND SPRAY OIL KILLS GARDEN INSECTS [4 | SUMMIT CHEMICAL COMPANY | 6218-71 | MINERAL OIL/PETROLEUM DISTILLATE | INSECTICIDE | No | |
| 307 | BIOCOVER SS | LOVELAND PROD./CROP PROTECTION SVCS | 34704-809 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | Yes | |
| 308 | BIOCOVER UL | LOVELAND PROD./CROP PROTECTION SVCS | 34704-806 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | Yes | |
| 309 | FERTI-LOME HORTICULTURAL OIL SPRAY | VOLUNTARY PURCHASING GROUPS | 48813-1-7401 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | No | |
| 310 | FERTI-LOME HORTICULTURAL OIL SPRAY R-T-SPRAY | VOLUNTARY PURCHASING GROUPS | 48813-1-7401 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | No | |
| 311 | GLACIAL SPRAY FLUID | LOVELAND PROD./CROP PROTECTION SVCS | 34704-849 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | Yes | |
| 312 | MASTER NURSERY PEST FIGHTER RTU YEAR-ROUND SPRAY OIL [8 | SUMMIT CHEMICAL COMPANY | 6218-78 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | INSECTICIDE | No | |

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| 313 | MITE-E-OIL INSECTICIDE-MITICIDE/SPRAY | HELENA CHEMICAL COMPANY | 5905-302 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | INSECTICIDE | Yes | |
| 314 | MONTEREY HORTICULTURAL OIL | LAWN & GARDEN PRODUCTS INC. | 48813-1-54705 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | No | |
| 315 | OMNI SUPREME SPRAY | HELENA CHEMICAL COMPANY | 5905-368 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | yes | |
| 316 | SUFFOIL-X | BIOWORKS INC | 48813-1-68539 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE, MITICIDE | Yes | |
| 317 | SUMMIT R-T-U YEAR-ROUND SPRAY OIL | SUMMIT CHEMICAL COMPANY | 6218-78 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | INSECTICIDE | No | |
| 318 | TRITEK | BRANDT CONSOLIDATED | 48813-1 | MINERAL OIL/PETROLEUM DISTILLATE LIGHT | FUNGICIDE, INSECTICIDE | Yes | |
| 319 | RESIST 57 | ACTAGRO LLC | 82940-1 | MONO- AND DI-POTASSIUM PHOSPHITE | FUNGICIDE | Yes | |
| 320 | SYSSTEM-K BLUE AGRICULTURAL FUNGICIDE | AGRO-K CORPORATION | 48222-10 | MONO- AND DI-POTASSIUM PHOSPHITE | FUNGICIDE | YES | |
| 321 | VALLEY-PHITE FUNGICIDE | ACTAGRO LLC | 82940-1 | MONO- AND DI-POTASSIUM PHOSPHITE | FUNGICIDE | Yes | |
| 322 | AGRI-FOS 400 SYSTEMIC FUNGICIDE | LIQUID FERTILISER PTY | 71962-1 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 323 | AGRI-FOS SYSTEMIC FUNGICIDE | LAWN & GARDEN PRODUCTS INC. | 71962-1-54705 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | No | |
| 324 | AGRISOLUTIONS CONFINE EXTRA FUNGICIDE | WINFIELD SOLUTIONS LLC | 1381-244 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 325 | ALUDE SYSTEMIC FUNGICIDE | CLEARY CHEMICALS | 71962-1-1001 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 326 | FOSPHITE FUNGICIDE | JH BIOTECH INC. | 68573-2 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 327 | FUNGI-PHITE | PLANT PROTECTANTS LLC | 83472-1 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 328 | FUNGI-PHITE | VERDESAN | 73771-5 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | YES | |
| 329 | PHOSPHO-JET | ARBORJET INC | 74578-3 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | YES | |
| 330 | RAMPART FUNGICIDE | LOVELAND PROD./CROP PROTECTION SVCS | 34704-924 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 331 | RAMPART T&O POTASSIUM PHOSPHITE | LOVELAND PROD./CROP PROTECTION SVCS | 34704-924 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 332 | RELIANT SYSTEMIC FUNGICIDE | QUEST PRODUCTS LLC | 83416-1 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | YES | |
| 333 | TKO Maxx Systemic Fungicide | Plant Health Intermediate Inc. | 83416-1-94485 | Mono- and di-potassium salts of Phosphorous Acid | Fungicide | Yes | |
| 334 | OXIPHOS | BIOSAFE SYSTEMS LLC | 70299-22 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID, HYDROGEN PEROXIDE | FUNGICIDE | Yes | |
| 335 | QUANTA SYSTEMIC/PGR & FUNGICIDE | HELENA CHEMICAL COMPANY | 5905-566 | MONO- AND DI-POTASSIUM SALTS OF PHOSPHOROUS ACID, INDOLE-3-BUTYRIC ACID | FUNGICIDE, PGR - GENERAL | Yes | |

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| 336 | DREXEL PHITICIDE | DREXEL CHEMICAL COMPANY | 19713-625 | MONO- AND DIBASIC SODIUM, POTASSIUM AND AMMONIUM SALTS OF PHOSPHOROUS ACID | FUNGICIDE | Yes | |
| 337 | RELOAD FUNGICIDE | BELCHIM CROP PROTECTION | 87865-1 | MONO- AND DIBASIC SODIUM, POTASSIUM, AND AMMONIUM PHOSPHITES | FUNGICIDE | YES | |
| 338 | ALUDE FUNGICIDE | NUFARM AMERICAS INC: AGT DIVISION | 55146-83 | MONO- AND DIBASIC SODIUM, POTASSIUM, AND AMMONIUM SALTS OF PHOSPHORUS ACID | FUNGICIDE | Yes | |
| 339 | ORGANOCIDE PLANT DOCTOR | ORGANIC LABORATORIES | 71962-1-70179 | MONO- AND DIBASIC SODIUM, POTASSIUM, AND AMMONIUM SALTS OF PHOSPHORUS ACID | FUNGICIDE | No | |
| 340 | PHOSTROL AGRICULTURAL FUNGICIDE | NUFARM AMERICAS INC: AGT DIVISION | 55146-83 | MONO- AND DIBASIC SODIUM, POTASSIUM, AND AMMONIUM SALTS OF PHOSPHORUS ACID | FUNGICIDE | Yes | |
| 341 | NUTROL 0-50-32 | LIDOCHEM | 70644-1 | MONOPOTASSIUM PHOSPHATE | FUNGICIDE | Yes | |
| 342 | ENNOBLE BIOFUMIGANT | MARRONE BIO INNOVATIONS | 84059-26 | MUSCODOR ALBUS STRAIN SA-13 AND SPENT AND UNSPENT FERMENTATION MEDIA | BIOFUMIGANT | Yes | |
| 343 | DITERA DF BIOLOGICAL NEMATOCIDE | VALENT BIOSCIENCES CORP. | 73049-67 | MYROTHECIUM VERRUCARIA DRIED FERM. SLDS/SLBS | NEMATOCIDE | Yes | |
| 344 | NIMBIOSYS NEEM OIL /ORGANIC GARDENING | AHIMSA ALTERNATIVE INC. THE | 84181-2 | NEEM OIL COLD PRESSED | INSECTICIDE, NEMATOCIDE | No | |
| 345 | PLASMA NEEM OIL EC BIOLOGICAL INSECTICIDE | PLASMA POWER PRIVATE LIMITED | 84185-5 | NEEM OIL COLD PRESSED | INSECTICIDE, NEMATOCIDE | Yes | |
| 346 | PM REMOVER | ECO ORGANICS -ASAP PRODUCTS LLC- | NA | ORGANIC GARLIC POWER | FUNGICIDE | No | |
| 347 | PLANT THERAPY | PLANT PROTECTOR LLC | N/A | ORGANIC OYBEAN OIL, ORGANIC PEPPERMINT OIL, CITRIC ACID | INSECTICIDE, FUNGICIDE, MITICIDE | NO | |
| 348 | GREEN CLEANER | CENTRAL COAST GARDEN PRODUCTS | NA | ORGANIC SOYBEAN OIL, SODIUM LAURYL SULFATE | INSECTICIDE | No | |
| 349 | BELOUKHA GARDEN HERBICIDE | BELCHIM CROP PROTECTION | 91746-8 | PELARGONIC ACID | HERBICIDE | YES | |
| 350 | PEPPERMINT FURY | GARDEN CARE NATURALS | NA | PEPPERMINT OIL | INSECTICIDE, MITICIDE | No | |
| 351 | ECOSMART GARDEN INSECT KILLER | ECOSMART | NA | PEPPERMINT OIL, ROSEMARY OIL | INSECTICIDE | NO | |
| 352 | ECOSMART INSECT KILLER GARDEN SOAP FORMULA | ECOSMART | NA | PEPPERMINT OIL, ROSEMARY OIL | INSECTICIDE | NO | |
| 353 | ECOSMART ORGANIC INSECTICIDE ORGANIC INSECT KILLER2 | ECOSMART TECHNOLOGIES INC | NA | PEPPERMINT OIL, ROSEMARY OIL | INSECTICIDE | No | |
| 354 | BIOSIDE HS 15% | ENVIRO TECH CHEMICAL SERVICES INC | 63838-2 | PEROXYACETIC ACID, HYDROGEN PEROXIDE | FUNGICIDE | No | |
| 355 | MITE-PHITE ZM | AGRO-K | 48222-14 | PHOSPHOROUS ACID | FUNGICIDE/MITICIDE | Yes | |
| 356 | EXPONENT | MCK | 1021-1511 | PIPERONYL BUTOXIDE | INSECTICIDE | YES | |
| 357 | BUSH DOCTOR FORCE OF NATURE INSECTICIDE | FOX FARM SOIL & FERTILIZER CO | 1021-1801 | PIPERONYL BUTOXIDE PYRETHRINS | INSECTICIDE | NO | See alert at bottom of list |
| 358 | DON'T BUG ME HOME AND GARDEN INSECT SPRAY | FOX FARM SOIL & FERTILIZER CO | 1021-1801 | PIPERONYL BUTOXIDE PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 359 | 1600 X-CLUDE FORMULA 2 | WHITMIRE MICRO-GEN RESEARCH LABS | 499-539 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 360 | GARDEN SAFE BRAND GARDEN INSECT FOGGER | SPECTRUM GROUP | 9688-319-8845 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |

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| 361 | PRES TRMT PYRETHRUM TR MICRO TOTAL RELEASE INSECT | WHITMIRE MICRO-GEN RESEARCH LABS | 499-479 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE, MITICIDE | Yes | See alert at bottom of list |
| 362 | PYRETHRUM TR TOTAL RELEASE INSECTICIDE | BASF CORP | 499-479 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE | Yes | See alert at bottom of list |
| 363 | TYGRO | WHITMIRE MICRO-GEN RESEARCH LABS | 499-547 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE, MITICIDE | No | See alert at bottom of list |
| 364 | TYGRO INSECT FOGGER 1 | BASF CORP | 499-547 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 365 | PYRENONE CROP SPRAY | BAYER ENVIRONMENTAL SCIENCE | 432-1033 | PIPERONYL BUTOXIDE, PYRETHRINS | INSECTICIDE | Yes | See alert at bottom of list |
| 366 | GEMSTAR LC | CERTIS | 70051-45 | POLYHEDRAL OCCLUSION BODIES (OBS) OF THE NUCLEAR POLYHEDROSIS VIRUS OF HELICOVERPA ZEA (CORN EARWORM) | INSECTICIDE | YES | HEMP ONLY |
| 367 | ARMICARB -O- | HELENA CHEMICAL COMPANY | 5905-541 | POTASSIUM BICARBONATE | FUNGICIDE | Yes | |
| 368 | BI-CARB OLD FASHIONED FUNGICIDE | LAWN & GARDEN PRODUCTS INC. | 54705-10 | POTASSIUM BICARBONATE | FUNGICIDE | No | |
| 369 | CARB-O-NATOR | CERTIS | 70051-117 | POTASSIUM BICARBONATE | FUNGICIDE | YES | HEMP ONLY |
| 370 | GREEN CURE /ORGANIC PRODUCTION | H & I AGRITECH INC. | 70870-1 | POTASSIUM BICARBONATE | FUNGICIDE | No | |
| 371 | KALIGREEN | OAT AGRIO CO. LTD. | 11581-2 | POTASSIUM BICARBONATE | FUNGICIDE | Yes | |
| 372 | MILSTOP BROAD SPECTRUM FOLIAR FUNGICIDE | BIOWORKS INC | 70870-1-68539 | POTASSIUM BICARBONATE | FUNGICIDE | yes | |
| 373 | MILSTOP SP | BIOWORKS | 68539-13 | POTASSIUM BICARBONATE | FUNGICIDE | YES | |
| 374 | BONIDE INSECTICIDAL MULTI-PURPOSE INSECT CONTROL SOAP CONC | BONIDE PRODUCTS INC | 67702-11-4 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, MITICIDE | No | |
| 375 | BONIDE INSECTICIDAL SOAP MULTI-PURPOSE INSECT CONTROL R-T-U | BONIDE PRODUCTS INC | 67702-13-4 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | No | |
| 376 | DES-X INSECTICIDAL SOAP CONC /ORGANIC PRODUCTION | CERTIS USA LLC | 67702-22-70051 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | Yes | |
| 377 | EARTH-TONE INSECTICIDAL SOAP /ORGANIC PRODUCTION | ESPOMA COMPANY THE | 67702-21-83598 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, MITICIDE | No | |
| 378 | ECOSENSE INSECTICIDAL SOAP | ORTHO GROUP THE | 67702-21-239 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | No | |
| 379 | EXILE | GENERAL HYDROPONICS | 91865-2 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, FUNGICIDE, MITICIDE | YES | |
| 380 | INSECTICIDAL SOAP | HAWTHORNE GARDENING COMPANY | 67702-21-91161 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | No | |
| 381 | INSECTICIDAL SOAP CONCENTRATE | VOLUNTARY PURCHASING GROUPS | 67702-22-7401 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | NA | |
| 382 | KOPA INSECTICIDAL SOAP | OHP, INC. | 67702-11-59807 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, FUNGICIDE, MITICIDE | Yes | |
| 383 | M-PEDE | GOWAN CO. | 10163-324 | POTASSIUM SALTS OF FATTY ACIDS | FUNGICIDE, INSECTICIDE, MITICIDE | Yes | |
| 384 | NATURAL GUARD INSECTICIDAL SOAP CONCENTRATE | VOLUNTARY PURCHASING GROUPS | 67702-22-7401 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, MITICIDE | No | |
| 385 | NATURAL GUARD R-T-U INSECTICIDAL SOAP | VOLUNTARY PURCHASING GROUPS | 67702-21-7401 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, MITICIDE | No | |
| 386 | NATURES CARE INSECTICIDAL SOAP | MIRACLE-GRO LAWN PROD INC | 67702-21-62355 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | No | |
| 387 | ORTHO ELEMENTALS INSECTICIDAL SOAP | ORTHO GROUP THE | 67702-21-239 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | No | |

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| 388 | SAFER BRAND INSECT KILLING SOAP CONC. II | SAFER INC / WOODSTREAM CORP. | 42697-60 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, MITICIDE | No | |
| 389 | WHITNEY FARMS INSECTICIDAL SOAP1 | SWISS FARMS PRODUCTS INC. | 67702-21-73327 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE | No | |
| 390 | WORRYFREE INSECTICIDAL SOAP RTU /ORGANIC GARDEN | LILLY MILLER BRANDS - CENTRAL GARDEN & PET | 67702-21-33116 | POTASSIUM SALTS OF FATTY ACIDS | INSECTICIDE, MITICIDE | No | |
| 391 | SAFER BRAND BUG PATROL LAWN & LANDSCAPE INSECT CONC. | SAFER INC / WOODSTREAM CORP. | 59913-9 | POTASSIUM SALTS OF FATTY ACIDS, PYRETHRINS | INSECTICIDE, MITICIDE | No | See alert at bottom of list |
| 392 | SAFER BRAND PYRETHRIN & INSECTICIDAL SOAP CONC II | SAFER INC / WOODSTREAM CORP. | 59913-9 | POTASSIUM SALTS OF FATTY ACIDS, PYRETHRINS | INSECTICIDE | Yes | See alert at bottom of list |
| 393 | SAFER BRND TOMATO & VEGETABLE INSECT KILLER II | SAFER INC / WOODSTREAM CORP. | 59913-10 | POTASSIUM SALTS OF FATTY ACIDS, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 394 | SAFER BRND YARD & GARDEN INSECT KILLER II | SAFER INC / WOODSTREAM CORP. | 59913-10 | POTASSIUM SALTS OF FATTY ACIDS, PYRETHRINS | INSECTICIDE | No | See alert at bottom of list |
| 395 | SAFER BRND 3-IN-1 CONC. II | SAFER INC / WOODSTREAM CORP. | 59913-13 | POTASSIUM SALTS OF FATTY ACIDS, SULFUR | FUNGICIDE, INSECTICIDE, MITICIDE | No | |
| 396 | CARBON DEFENSE | FBSCIENCES | 84846-1 | POTASSIUM SILICATE | FUNGICIDE, MITICIDE, INSECTICIDE | Yes | |
| 397 | SIL-MATRIX FUNGICIDE/MITICIDE/INSECTICIDE | PQ CORPORATION | 82100-1 | POTASSIUM SILICATE | FUNGICIDE, INSECTICIDE | Yes | |
| 398 | TYPHOON | ORO AGRI | N/A | POTASSIUM SORBATE | FUNGICIDE | NO | |
| 399 | XTREME GARDENING KRYPTOMITE | REFORESTATION TECHNOLOGIES INTL | NA | POTASSIUM SORBATE | MITICIDE, FUNGICIDE | No | |
| 400 | All Phase Fungicide Bactericide | Circadian Crop Sciences, LLC. | NA | Potassium Sorbate, Sodium Lauryl Sulfate | Fungicide and Bactericide | No | |
| 401 | Acaritouch | Lida Plant Research LLC | 11581-3-95786 | Propyleneglycol monolaurate | Miticide | Yes | |
| 402 | HOWLER | AGBIOME INNOVATIONS | 91197-3-92488 | PSEUDOMONAS CHLORROAPHIS | FUNGICIDE | YES | |
| 403 | BUG BUSTER-O | LAWN & GARDEN PRODUCTS INC. | 1021-1771-54705 | PYRETHRINS | INSECTICIDE, MITICIDE, INSECT REPELLENT | No | See alert at bottom of list |
| 404 | CROP PROTECTION EC 1.4 II | PYGANIC | 1021-1771 | PYRETHRINS | INSECTICIDE | YES | See alert at bottom of list |
| 405 | PYGANIC CROP PROTECTION EC 5.0 II | MCLAUGHLIN GORMLEY KING | 1021-1772 | PYRETHRINS | INSECTICIDE, INSECT REPELLENT | Yes | See alert at bottom of list |
| 406 | PYGANIC GARDENING | MGK | 1021-1771 | PYRETHRINS | INSECTICIDE | NO | See alert at bottom of list |
| 407 | PYGANIC GARDENING (For home garden use only; not for commercial production) | PYGANIC | 1021-1771 | PYRETHRINS | INSECTICIDE | NA | See alert at bottom of list |
| 408 | PYGANIC SPECIALTY | MGK | 1021-1772 | PYRETHRINS | INSECTICIDE | Yes | See alert at bottom of list |
| 409 | TERSUS | MGK | 1021-2616 | PYRETHRINS | INSECTICIDE | YES | See alert at bottom of list |
| 410 | Lynx EC 1.4 | Lam International Corporation | 82074-6 | Pyrethrins | Insecticide | Yes | |
| 411 | Lynx EC 5.0 | Lam International Corporation | 82074-7 | Pyrethrins | Insecticide | Yes | |
| 412 | BOTANIGARD MAXX | BIOWORKS INC | 82074-5 | PYRETHRINS, BEAUVERIA BASSIANA STRAIN GH | INSECTICIDE, MITICIDE | YES | |
| 413 | BotaniGard Maxx | Lam International Corporation | 82074-5 | Pyrethrins, Beauveria bassiana Strain GH | Insecticide, Miticide | Yes | |
| 414 | Xpectro OD | Lam International Corporation | 82074-5 | Pyrethrins, Beauveria bassiana Strain GH | Insecticide | Yes | |
| 415 | INSECT! INSECT SPRAY | ESPOMA COMPANY THE | 67702-35 | PYRETHRINS, CANOLA OIL | INSECTICIDE | No | See alert at bottom of list |
| 416 | MIGHTY | NPK INDUSTRIES | 89819-1 | PYRETHRINS, CANOLA OIL | INSECTICIDE | NO | See alert at bottom of list |
| 417 | PYCANA | OHP, INC. | 67702-53-59807 | PYRETHRINS, CANOLA OIL | INSECTICIDE, MITICIDE | Yes | |
| 418 | Pyola Insect Spray | GardensAlive, Inc. | 67702-5-56872 | Pyrethrins, Canola Oil | Insecticide | No | |

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| 419 | Bonide Bon-Neem II Fungicide Miticide Insecticide Ready to Use | Bonide Products, Inc. | 70051-74-4 | Pyrethrins, Piperonyl Butoxide, Technical Clarified Hydrophobic Extract of Neem Oil | Insecticide, Fungicide, Miticide | No | |
| 420 | TOTAL REALEASE FOGGER | DOKTOR DOOM | 72804-1 | PYRETHRINS, PIPERONYL BUTOXIDE | INSECTICIDE | NA | See alert at bottom of list |
| 421 | TRIAZICIDE INSECT KILLER FOR LANDSCAPES AND GARDENS | SPECTRUM GROUP | 9688-319-8845 | PYRETHRINS, PIPERONYL BUTOXIDE | INSECTICIDE | N/A | |
| 422 | WORRY FREE CONCENTRATE | GARDENTECH | 1021-1798-71004 | PYRETHRINS, PIPERONYL BUTOXIDE | INSECTICIDE | NO | |
| 423 | BONIDE CITRUS FRUIT & NUT ORCHARD SPRAY CONC. | BONIDE PRODUCTS INC | 67702-17-4 | PYRETHRINS, SULFUR | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 424 | BONIDE CITRUS FRUIT & NUT ORCHARD SPRAY R-T-SPRAY | BONIDE PRODUCTS INC | 67702-17-4 | PYRETHRINS, SULFUR | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 425 | BONIDE TOMATO & VEGETABLE CONC 3IN1 | BONIDE PRODUCTS INC | 67702-17-4 | PYRETHRINS, SULFUR | FUNGICIDE, INSECTICIDE | No | See alert at bottom of list |
| 426 | BONIDE TOMATO & VEGETABLE R-T-SPRAY 3IN1 | BONIDE PRODUCTS INC | 67702-17-4 | PYRETHRINS, SULFUR | FUNGICIDE, INSECTICIDE, MITICIDE | No | See alert at bottom of list |
| 427 | EARTH-TONE 3N1 DISEASE CONTROL | ESPOMA COMPANY THE | 67702-15-83598 | PYRETHRINS, SULFUR | FUNGICIDE, INSECTICIDE, MITICIDE | No | See alert at bottom of list |
| 428 | CEASE | BIOWORKS INC | 264-1155-68539 | QST 713 | FUNGICIDE | Yes | |
| 429 | REGALIA BIOFUNGICIDE | MARRONE BIO INNOVATIONS -TSG- | 84059-3 | REYNOUTRIA SACHALINENSIS | FUNGICIDE, PGR - GENERAL | Yes | |
| 430 | REGALIA BIOFUNGICIDE | MARRONE BIO INNOVATIONS | 84059-3 | REYNOUTRIA SACHALINENSIS | BIOFUNGICIDE | Yes | |
| 431 | Regalia CG | Marrone Bio Innovations, Inc. | 84059-3 | Reynoutria Sachalinensis | Fungicide | Yes | |
| 432 | REGALIA PTO BIOFUNGICIDE | ENGAGE AGRO USA -TSG- | 84059-3-87865 | REYNOUTRIA SACHALINENSIS | FUNGICIDE, PGR - GENERAL | Yes | |
| 433 | ZONIX BIOFUNGICIDE | JENEIL BIOSURFACTANT CO | 72431-1 | RHAMNOLIPID BIOSURFACTANT | FUNGICIDE | Yes | |
| 434 | DR STEVES MITE-Y SPRAY CONCENTRATE | AGROMATICS, LLC | NA | ROSEMARY OIL | MITICIDE | NO | |
| 435 | SNS 209 | SIERRA NATURAL SCIENCE | NA | ROSEMARY OIL | MITICIDE, INSECTICIDE REPELLENT | No | |
| 436 | SNS 217 | SIERRA NATURAL SCIENCE | NA | ROSEMARY OIL | MITICIDE, INSECTICIDE REPELLENT | No | |
| 437 | SNS 217C | SIERRA NATURAL SCIENCE | NA | ROSEMARY OIL | MITICIDE, INSECTICIDE REPELLENT | No | |
| 438 | TETRACURB CONCENTRATE | KEMIN INDUSTRIES | NA | ROSEMARY OIL | MITICIDE | NO | |
| 439 | DR EARTH PRO-ACTIVE HOME & GARDEN INSECT SPRAY | DR EARTH, INC. | N/A | ROSEMARY OIL, CINNAMON OIL, CLOVE OIL, GARLIC EXTRACT | INSECTICIDE | NO | |
| 440 | DR. EARTH PRO-ACTIVE ROSE & FLOWER INSECT SPRAY | DR EARTH, INC. | N/A | ROSEMARY OIL, CINNAMON OIL, CLOVE OIL, GARLIC EXTRACT | INSECTICIDE | NO | |
| 441 | EVANESCENT | FOUR CORNERS TECHNOLOGIES | NA | ROSEMARY OIL, CLOVE OIL | INSECTICIDE, FUNGICIDE | No | |

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|----------|--|------------------------------------|------------|---|-----------------------|---------------------------------------|------|
| 442 | DR EARTH FINAL STOP DISEASE CONTROL FUNGICIDE | DR EARTH, INC. | NA | ROSEMARY OIL, CLOVE OIL, PEPPERMINT OIL | FUNGICIDE | NO | |
| 443 | Earth's Ally Insect Control | Sarasota Green Group | NA | Rosemary Oil, Clove Oil, Peppermint Oil | Insecticide | No | |
| 444 | Grower's Ally Spider Mite Control | Sarasota Green Group | NA | Rosemary Oil, Clove Oil, Peppermint Oil | Miticide | No | |
| 445 | Grower's Ally Spider Mite Control Concentrate | Sarasota Green Group | NA | Rosemary Oil, Clove Oil, Peppermint Oil | Miticide | No | |
| 446 | TETRACURB ORGANIC | KEMIN INDUSTRIES | NA | ROSEMARY OIL, CLOVE OIL, PEPPERMINT OIL | MITICIDE | No | |
| 447 | REPELIT | INTEGRATED BIOLOGICAL SYSTEMS | NA | ROSEMARY OIL, CORNMINT OIL | INSECTICIDE | NO | |
| 448 | BRANDT ECOTEC PLUS | BRANDT CONSOLIDATED | NA | ROSEMARY OIL, GERANIOL, PEPPERMINT OIL | INSECTICIDE, MITICIDE | NO | |
| 449 | ECOTROL PLUS | KEY PLEX | NA | ROSEMARY OIL, GERANIOL, PEPPERMINT OIL | INSECTICIDE, MITICIDE | No | |
| 450 | 86 MITES AND MOLD PREVENTION AND TREATMENT CONCENTRATE | NORCAL PLANT NUTRIENTS LLC | NA | ROSEMARY OIL, LEMONGRASS, CINNAMON OIL, COTTONSEED OIL | INSECTICIDE | NO | |
| 451 | 86 MITES AND MOLD PREVENTION AND TREATMENT READY TO USE | NORCAL PLANT NUTRIENTS LLC | NA | ROSEMARY OIL, LEMONGRASS, CINNAMON OIL, COTTONSEED OIL | INSECTICIDE, MITICIDE | NO | |
| 452 | METHOD 1 PPS | GROWTH EFFICIENCY TECHNOLOGIES LLC | NA | ROSEMARY OIL, PEPPERMINT OIL | INSECTICIDE | No | |
| 453 | MANTIS EC | MANTIS PLANT PROTECTION | NA | ROSEMARY OIL, PEPPERMINT OIL, SOYBEAN OIL (NON-GMO) | INSECTICIDE, MITICIDE | NO | |
| 454 | DR EARTH FINAL STOP FRUIT TREE INSECT KILLER | DR EARTH, INC. | NA | ROSEMARY OIL, SESAME OIL, PEPPERMINT OIL, THYME OIL, CINNAMON OIL, GARLIC OIL | INSECTICIDE | NO | |
| 455 | DR EARTH FINAL STOP INSECT KILLER PEST CONTROL KILLER SPRAY | DR EARTH, INC. | NA | ROSEMARY OIL, SESAME OIL, PEPPERMINT OIL, THYME OIL, CINNAMON OIL, GARLIC OIL | INSECTICIDE | NO | |
| 456 | DR EARTH FINAL STOP VEGETABLE GARDEN INSECT KILLER | DR EARTH, INC. | NA | ROSEMARY OIL, SESAME OIL, PEPPERMINT OIL, THYME OIL, CINNAMON OIL, GARLIC OIL | INSECTICIDE | NO | |
| 457 | DR EARTH FRUIT TREE INSECT KILLER | DR EARTH, INC. | NA | ROSEMARY OIL, SESAME OIL, PEPPERMINT OIL, THYME OIL, CINNAMON OIL, GARLIC OIL | INSECTICIDE | NO | |
| 458 | DR. EARTH FINAL STOP YARD AND GARDEN INSECT KILLER | DR EARTH, INC. | NA | ROSEMARY OIL, SESAME OIL, PEPPERMINT OIL, THYME OIL, CINNAMON OIL, GARLIC OIL | INSECTICIDE | NO | |
| 459 | YARD & GARDEN INSECT KILLER CONCENTRATE | DR EARTH, INC. | NA | ROSEMARY OIL, SESAME OIL, PEPPERMINT OIL, THYME OIL, CINNAMON OIL, GARLIC OIL | INSECTICIDE | No | |
| 460 | ECOLOGIC GARDEN INSECT KILLER CONC | LIQUID FENCE CO | NA | ROSEMARY OIL, SOYBEAN OIL | INSECTICIDE | No | |
| 461 | ECOLOGIC GARDEN INSECT KILLER RTU | LIQUID FENCE CO | NA | ROSEMARY OIL, SOYBEAN OIL | INSECTICIDE | No | |
| 462 | ECOLOGIC HOUSEPLANT & GARDEN INSECT KILLER | LIQUID FENCE CO | NA | ROSEMARY OIL, SOYBEAN OIL | INSECTICIDE | No | |
| 463 | INSECT ANNIHILATOR BROAD SPECTRUM PESTICIDE CONCENTRATED FORMULA | GREEN EAGLE TECHNOLOGIES | NA | ROSEMARY OIL, THYME OIL, CLOVE OIL, CINNAMON OIL | INSECTICIDE | No | |
| 464 | INSECT ANNIHILATOR BROAD SPECTRUM PESTICIDE READY TO USE FORMULA | GREEN EAGLE TECHNOLOGIES | NA | ROSEMARY OIL, THYME OIL, CLOVE OIL, CINNAMON OIL | INSECTICIDE | No | |

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|----------|--|----------------------------|----------------|---|--|---------------------------------------|------|
| 465 | SPORAN EC2 | KEY PLEX | N/A | ROSEMARY OIL, THYME OIL, CLOVE OIL, CINNAMON OIL, PEPPERMINT OIL | FUNGICIDE | NO | |
| 466 | DR EARTH FINAL STOP NATURAL & ORGANIC SNAIL & SLUG KILLER SPRAY | DR EARTH, INC. | N/A | ROSEMARY, SESAME, PEPPERMINT, THYME, CINNAMON, GARLIC | MOLLUSCICIDE | NO | |
| 467 | DR EARTH FINAL STOP NATURAL & ORGANIC YARD AND GARDEN INSECT KILLER | DR EARTH, INC. | N/A | ROSEMARY, SESAME, PEPPERMINT, THYME, CINNAMON, GARLIC | INSECTICIDE | No | |
| 468 | DR EARTH FINAL STOP NATURAL AND ORGANIC PEST CONTROL KILLER SPRAY | DR EARTH, INC. | N/A | ROSEMARY, SESAME, PEPPERMINT, THYME, CINNAMON, GARLIC | INSECTICIDE | NO | |
| 469 | ORGANOCIDE 3-IN-1 GARDEN SPRAY CONC. | ORGANIC LABORATORIES | NA | SESAME OIL | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 470 | ORGANOCIDE 3-IN-1 GARDEN SPRAY R-T-U | ORGANIC LABORATORIES | NA | SESAME OIL | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 471 | ORGANOCIDE BEE SAFE 3-IN-1 GARDEN SPRAY | ORGANIC LABORATORIES, INC. | NA | SESAME OIL | INSECTICIDE, FUNGICIDE, MITICIDE | No | |
| 472 | ORGANOCIDE BEE SAFE 3-IN-1 GARDEN SPRAY CONCENTRATE | ORGANIC LABORATORIES, INC. | NA | SESAME OIL | INSECTICIDE, MITICIDE | No | |
| 473 | ORGANOCIDE BEE SAFE INSECT KILLER | ORGANIC LABORATORIES, INC. | NA | SESAME OIL | INSECTICIDE | No | |
| 474 | Magicflower Bud Finisher | Magic Flower, LLC | NA | Sesame Oil, Cinnamon Powder, Garlic Powder, Clove Powder | Miticide, Fungicide, Insecticide | No | |
| 475 | MERCENARY ALL NATURAL INSECTICIDE | CULTURED BIOLOGIX, LL | N/A | SESAME OIL, ROSEMARY OIL, CINNAMON OIL, CLOVE OIL, PEPPERMINT OIL | INSECTICIDE | NO | |
| 476 | Ecologic Diatomaceous Earth Crawling Insect Killer Granular | Liquid Fence Co Inc | 9688-352-72401 | Silicon Dioxide | Insecticide | No | |
| 477 | DOCTOR KIRCHNER NATURAL WEED KILLER | DOCTOR KIRCHNER, LLC | NA | SODIUM CHLORIDE | HERBICIDE | NO | |
| 478 | Earth's Ally Weed Killer | Sarasota Green Group | NA | Sodium Chloride | Herbicide | No | |
| 479 | CORRYS SLUG & SNAIL KILLER | MATSON LLC | 67702-33-8119 | SODIUM FERRIC EDTA | INVERTEBRATE CONTROL | No | |
| 480 | FERROXX AGRICULTURE SLUG & SNAIL BAIT | W NEUDORFF GMBH KG | 67702-33 | SODIUM FERRIC EDTA | INVERTEBRATE CONTROL | Yes | |
| 481 | FERROXX SLUG & SNAIL BAIT | W NEUDORFF GMBH KG | 67702-33 | SODIUM FERRIC EDTA | INVERTEBRATE CONTROL | Yes | |
| 482 | IRON FIST SLUG AND SNAIL BAIT | ENGAGE AGRO USA | 67702-32-87865 | SODIUM FERRIC EDTA | INVERTEBRATE CONTROL | Yes | |
| 483 | IRONFIST | BELCHIM CROP PROTECTION | 67702-32-87865 | SODIUM FERRIC EDTA | SLUG AND SNAIL BAIT | YES | |
| 484 | IRONWORXX SLUG & SNAIL BAIT | W NEUDORFF GMBH KG | 67702-33 | SODIUM FERRIC EDTA | INVERTEBRATE CONTROL | Yes | |
| 485 | Prosper D2M | Potentia, LLC | NA | Sodium Lauryl Sulfate, Cinnamon Oil | Miticide | No | |
| 486 | Formula Five | One Vision Enterprises Inc | NA | Sodium Lauryl Sulfate, Citric Acid | Fungicide | No | |
| 487 | GOLDEN PEST SPRAY OIL | STOLLER ENTERPRISES INC. | 57538-11 | SOYBEAN OIL | INSECTICIDE | Yes | |
| 488 | WEED AND GRASS CONTROL (home and garden use only; not for commercial production) | WHITNEY FARMS | NA | SOYBEAN OIL | HERBICIDE | NO | |
| 489 | PURECROP 1 | PURECROP 1 | NA | SOYBEAN OIL, CORN OIL | MITICIDE, INSECTICIDE, FUNGICIDE | No | |
| 490 | PURELY GREEN BIO-PESTICIDE SUPER CONCENTRATE | 1ST ENVIROSAFETY, INC. | NA | SOYBEAN OIL, PEPPERMINT OIL, CINNAMON OIL, LEMONGRASS OIL, GARLIC OIL | BACTERICIDE, FUNGICIDE, INSECTICIDE | NO | |
| 491 | AGRO PRO X | AGRO MAGEN, LLC | N/A | SOYBEAN OIL, SESAME OIL | INSECTICIDE, MITICIDE, FUNGICIDE | NO | |
| 492 | AGRO XP | AGRO MAGEN, LLC | N/A | SOYBEAN OIL, SESAME OIL | INSECTICIDE, MITICIDE, FUNGICIDE | NO | |

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|----------|--|------------------------------|---------------|---|---|---------------------------------------|----------------------------|
| 493 | Soyacide | Sym-Agro, Inc. | NA | Soybean Oil, Sodium Lauryl Sulfate | Insecticide, Miticide, Fungicide | No | |
| 494 | MYCOSTOP BIOFUNGICIDE | LALLEMAND PLANT CARE | 64137-5 | STREPTOMYCES GRISEOVIRIDIS STRAIN K61 | BIOFUNGICIDE | Yes | USE AS SEED TREATMENT ONLY |
| 495 | MYCOSTOP BIOFUNGICIDE / VEGETABLE & ORNAMENTAL CROPS | VERDERA OY | 64137-5 | STREPTOMYCES GRISEOVIRIDIS STRAIN K61 | FUNGICIDE | Yes | |
| 496 | MYCOSTOP MIX | VERDERA OY | 64137-9 | STREPTOMYCES GRISEOVIRIDIS STRAIN K61 | FUNGICIDE | Yes | |
| 497 | ACTINO-IRON BIOLOGICAL FUNGICIDE 0-0-0 | NOVOZYMES BIOAG INC | 73314-2 | STREPTOMYCES LYDICUS WYEC 108 | FUNGICIDE | Yes | |
| 498 | ACTINO-IRON BIOLOGICAL FUNGICIDE LAWN AND GARDEN | NOVOZYMES BIOAG INC | 73314-3 | STREPTOMYCES LYDICUS WYEC 108 | FUNGICIDE | Yes | |
| 499 | ACTINOVATE AG BIOLOGICAL FUNGICIDE | NOVOZYMES BIOAG INC | 73314-1 | STREPTOMYCES LYDICUS WYEC 108 | FUNGICIDE | Yes | |
| 500 | ACTINOVATE LAWN AND GARDEN | NOVOZYMES BIOAG INC | 73314-1 | STREPTOMYCES LYDICUS WYEC 108 | FUNGICIDE | NO | |
| 501 | ACTINOVATE SP BIOLOGICAL FUNGICIDE | NOVOZYMES BIOAG INC | 73314-1 | STREPTOMYCES LYDICUS WYEC 108 | FUNGICIDE, NEMATOCIDE | Yes | |
| 502 | Lalstop K61 WP | Danstar Ferment AG | 64137-5 | Streptomyces sp. Strain K61 | Fungicide | Yes | |
| 503 | PREFENCE | BIOWORKS INC | 64137-5-68539 | STREPTOMYCES SP. STRAIN K61 | BIOFUNGICIDE | Yes | |
| 504 | SUCRASHIELD | NATURAL FORCES | 70950-2 | SUCROSE OCTANOATE ESTERS | INSECTICIDE, MITICIDE | YES | |
| 505 | SAFER BRAND GARDEN FUNGICIDE / FLOWERS FRUIT & VEG. CONC | SAFER INC / WOODSTREAM CORP. | 42697-37 | SULFUR | FUNGICIDE | No | |
| 506 | REQUIEM EC | BAYER CROPS SCIENCE LP | 264-1159 | TERPENE CONSTITUENTS OF THE EXTRACT OF CHENOPODIUM AMBROSIOIDES AS SYNTHETICALLY MANUFACTURED | INSECTICIDE, ACARICIDE | YES | CANNABIS GROWN FOR OIL O |
| 507 | REQUIEM PRIME | BAYER CROPS SCIENCE LP | 264-1185 | TERPENE CONSTITUENTS OF THE EXTRACT OF CHENOPODIUM AMBROSIOIDES AS SYNTHETICALLY MANUFACTURED | INSECTICIDE | YES | CANNABIS GROWN FOR OIL O |
| 508 | GUARDA | BIOSAFE SYSTEMS LLC | 92144-2-70299 | THYME OIL | FUNGICIDE, BACTERICIDE | YES | |
| 509 | PROUD 3 | BIO HUMA NETICS INC | NA | THYME OIL | INSECTICIDE, MITICIDE, FUNGICIDE | NO | |
| 510 | RECKONING SPORICIDE | GROPRO | N/A | THYME OIL | FUNGICIDE | NO | HEMP ONLY |
| 511 | SNS 244 | SIERRA NATURAL SCIENCE | NA | THYME OIL | FUNGICIDE | No | |
| 512 | SPORE CONTROL | VEGALAB | NA | THYME OIL | FUNGICIDE | No | |
| 513 | THYME GUARD | AGRO RESEARCH INTERNATIONAL | NA | THYME OIL | BACTERICIDE, FUNGICIDE, VIRUCIDE, INSECTICIDE | No | |
| 514 | Thymox Control Fungicide and Bactericide Concentrate | Laboratoire M2, Inc. | NA | Thyme Oil | Fungicide, Bactericide | No | |
| 515 | Thymox Control Fungicide and Bactericide Concentrate | Laboratoire M2, Inc. | NA | Thyme Oil | Fungicide, Bactericide | No | |

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|----------|--|---------------------------------|---------------|--|-------------------------------------|---------------------------------------|---|
| 516 | TIGER GROW | SURVERDA | NA | THYME OIL | BACTERICIDE, FUNGICIDE, INSECTICIDE | No | |
| 517 | JUDGEMENT | GROPRO | NA | THYME OIL | FUNGICIDE | NO | |
| 518 | Protex | One Vision Enterprises Inc | NA | Thyme Oil, Citric Acid | Fungicide | No | |
| 519 | BIOTIME | VALLEY AGRONOMICS | NA | THYME OIL, CLOVE OIL | SOIL FUNGICIDE/NEMATICIDE | No | |
| 520 | CROP CONTROL | TRIFECTA LLC | NA | THYME OIL, CLOVE OIL, GARLIC OIL, PEPPERMINT OIL, CORN OIL, GERANIOL, CITRIC ACID, ROSEMARY OIL | FUNGICIDE, INSECTICIDE | No | |
| 521 | CANN-CARE THYME BOMB | CANN-CARE COMPANY | NA | THYME OIL, CORN OIL | MITICIDE, INSECTICIDE, FUNGICIDE | NO | |
| 522 | Flock Free Mosquito Control Concentrate | Flock Free Bird Control | NA | Thyme Oil, Garlic Oil, Corn Oil, Geraniol, Clove Oil, Citric Acid, Peppermint Oil, Rosemary Oil, Sodium Chloride | Mosquito Control | No | |
| 523 | PEST CONTROL | PUREAG | NA | THYME OIL, GARLIC OIL, CORN OIL, GERANIOL, CLOVE OIL, PEPPERMINT OIL, CITRIC ACID, ROSEMARY OIL, SODIUM | INSECTICIDE | No | |
| 524 | MAMMOTH BIOCONTROL | GROWCENTIA, INC. | NA | THYME OIL/CORN OIL | INSECTICIDE/MITICIDE | No | |
| 525 | BIO-TAM | AGRAQUEST INC. | 80289-9-69592 | TRICHODERMA ASPERELLUM STRAIN ICC 012, TRICHODERMA GAMSII STRAIN ICC 080 | FUNGICIDE | Yes | |
| 526 | BIO-TAM 2.0 | ISAGRO USA - GOWAN | 80289-9 | TRICHODERMA ASPERELLUM STRAIN ICC 012, TRICHODERMA GAMSII STRAIN ICC 080 | FUNGICIDE | Yes | |
| 527 | TENET WP | ISAGRO USA - GOWAN | 80289-9 | TRICHODERMA ASPERELLUM STRAIN ICC 012, TRICHODERMA GAMSII STRAIN ICC 080 | FUNGICIDE | Yes | |
| 528 | INCEPT 123.2 | SYNGENTA CROP PROTECTION INC. | 100-9219 | TRICHODERMA HAMATUM TH382 | FUNGICIDE | Yes | |
| 529 | ROOTSHIELD GRANULES | BIOWORKS INC | 68539-3 | TRICHODERMA HARZIANUM RIFAI STRAIN KRL-AG2 | FUNGICIDE | Yes | |
| 530 | ROOTSHIELD WP BIOLOGICAL FUNGICIDE | BIOWORKS INC | 68539-7 | TRICHODERMA HARZIANUM RIFAI STRAIN KRL-AG2 | FUNGICIDE | Yes | |
| 531 | TRIANUM P | KOPPERT BIOLOGICAL SYSTEMS, INC | 89635-3 | TRICHODERMA HARZIANUM RIFAI STRAIN KRL-AG2 | FUNGICIDE | YES | |
| 532 | ROOTSHIELD PLUS+ GRANULES BIOLOGICAL FUNGICIDE | BIOWORKS INC | 68539-10 | TRICHODERMA HARZIANUM RIFAI STRAIN KRL-AG2, TRICHODERMA VIRENS STRAIN G-41 | FUNGICIDE | Yes | |
| 533 | ROOTSHIELD PLUS+ WP BIOLOGICAL FUNGICIDE | BIOWORKS INC | 68539-9 | TRICHODERMA HARZIANUM RIFAI STRAIN KRL-AG2, TRICHODERMA VIRENS STRAIN G-41 | FUNGICIDE | Yes | |
| 534 | PLANT SHIELD HC | BIOWORKS INC | 68539-4 | TRICHODERMA HARZIANUM RIFAI STRAIN T-22 | BIOLOGICAL FUNGICIDE | Yes | GREENHOUSE FOLIAR APPLICATIONS ARE FOR NON-FOOD CROPS ONLY! |

Alert regarding the use of pyrethrins and/or piperonyl butoxide

Recent lab results show high levels of the active ingredients pyrethrins and/or piperonyl butoxide in some cannabis samples. Pyrethrins and piperonyl butoxide are on ODA's Guide List for Pesticides and Cannabis. ODA is investigating why some samples indicate levels of one or both of these pesticides, which far exceed the Oregon Health Authority (OHA) Action Levels, and yet others do not. To retain the listing of these two pesticides on the Guidelist, ODA, OHA, and Oregon Liquor Control Commission (OLCC) need to learn more about what influences pesticide residue levels on cannabis. If you used pyrethrins and/or piperonyl butoxide, and your cannabis tested below OHA's Action level, please contact ODA at (503) 986-4553.

About the Guide List

ODA Pesticides Program conducts monthly reviews of pesticide labels to determine their eligibility for the Cannabis Guide List. If you do not see a pesticide label on the list, but feel as though it would qualify based on criteria described in our Internal Management Directive (<https://oda.direct/CannabisInternalDirective>), please notify us at 503-986-4635, and we will review it at the next label review meeting.

November 19, 2021

Testimony of Lauren Berlekamp for the Council of the District of Columbia's Committee of the Whole, Committee on Business Development, and Committee on Judiciary and Public Safety, concerning Bill 24-113, Medical Cannabis Amendment Act of 2021, and Bill 24-118 Comprehensive Legalization and Regulation Act of 2021

Thank you Chairman Mendelson, Chairman Allen, and Chairman McDuffie and the rest of the DC Councilmembers present for holding this historic hearing today. Thank you to the Chairmen, Councilmembers, and their staff for writing these two pieces of legislation. I have been advising on cannabis policy reform since 2013 at local, state, national, and internationally as a patient advocate, and as a patient myself. I know many who have been illegally healed by cannabis, and I successfully manage symptoms of a very difficult to treat chronic inflammatory condition. I am privileged in my experience with a culturally dominant identity, my parents are both doctorates of pharmacy, and I've not personally faced discrimination for my use of the plant. I am very familiar with the plant, as I also organized successfully around the re-legalization of hemp in the US through various local, state, and national education campaigns; i have educated on the many uses of the plant, the differences between superfood and medical cultivars and their terpene and cannabinoid profiles; and have advised the industry extensively on organic integrity and certification in the marketplace to ensure consumer and patient safety.

My mother is a professor of pharmacy at University of Findlay in Ohio and for the last 6 years has been teaching medical cannabis to 400 and 500 level pharmacy students, and has written curriculum and peer-reviewed multidisciplinary continuing medical education on Cannabidiol (CBD) and medical cannabis, the endocannabinoid system, and US Patent 6630507. She provides the example of what happened to Zoey Carty as a cautionary lesson on the importance of testing and organic integrity for cannabis products, especially concentrates. As a patient and because of my work in cannabis reform policy, I have been a guest lecturer for the college on several occasions.

While these proposed policies are both powerful, there are some issues that must be addressed before moving forward. Expungement of cannabis related arrests and convictions, Amnesty for I-71 Gifting Shops and a pathway to apply for expanded licenses, Organic integrity and expanded testing for medical and home grow, Access to testing for those who want to test, Equity programs, Expanding access to licenses, Allowing for home growers to share their harvests beyond gifting, Allowing cooperative grows for adults who aren't able to grow in their homes to grow in someone else's house consensually, Creating the circumstances for outdoor cultivation of sun-grown cannabis, Public consumption, and Over the counter medical cannabis all must be considered.

Also, regarding the discussion and consideration on regulate the inclusion of hemp and cannabinoids (e.g., CBD), extracts, or derivatives of hemp in food and beverages, dietary supplements, cosmetics, and processed pet food provided that they, among other things, contain less than 0.3% THC, I ask that council members strongly consider looking at California's AB45 which was signed into law on October 6, 2021, by Governor Gavin Newsom.

I can't and don't drink alcohol due to my condition, and would love to be able to support establishments that serve superfood options like hemp-infused beverages and foods. Please find a way to allow restaurants, juice bars, tea houses, etc. to be able to sell and serve hemp-infused consumables. It would be an economic boon to a struggling DC restaurant industry and California's AB45 would be an appropriate guide on how to regulate this.

It wasn't until I became a resident of Washington, DC, that I was finally able to exercise the human right to grow my own medicine and treat myself, and I am deeply grateful that this community recognizes the importance of this. Home grow, meaning the power to grow your own knowing exactly how it was grown and what materials were used to produce it, is the safest grow and must be preserved in any legislation moving forward. The experience of gardening is a therapeutic experience, and to be able to grow a plant that is as therapeutic as cannabis and having access to fresh plant material you grew yourself is a birthright.

Immediate and automatic expungement for any cannabis-related arrest or conviction must be part of this legislation in order to achieve equity and justice for the harm done by the war on drugs. Not just sealing of records, but full deletion of these records. It should have never been prohibited in the first place and we must ensure that the communities most harmed by the war on drugs have equitable support to participate in the legal economy.

I believe the types of licenses being legislated is too limiting. Some states have dozens of types of licenses depending on the size and scale of the business. Right now in DC there are over 20 different types of alcohol licenses available, why not suggest over 20 different types of licenses in this statute? Such as a “Bud & Breakfast” license for AirBnB hosts, Nursery License to let adults buy cannabis seeds and clones of varying sizes from existing garden supply stores, on-site consumption license with food, with music, with alcohol, for small and large venues. I urge the Council to drastically expand the number of licenses being offered and lower the license fees. The costs for alcohol licenses should be the model. We want parity.

Also, I support the draft amendment for cottage industry licenses written by Nikolas Schiller of DCMJ. I believe it will provide a low-cost, low-barrier way for more adults to engage in the lawful cannabis market. Right now there are thousands of adults who are lawfully growing cannabis in their homes thanks to the rights afforded to them through Initiative 71. However, these adults have no way to lawfully sell their extra cannabis to other adults or licensed businesses. This proposed license provides a way for DC’s growers to do so at Farmers Markets or to other licensed dispensaries. There is a license to sell alcohol at Farmers Markets, therefore the same should be available for cannabis grown in DC. Moreover, adults who live in government subsidized housing are prohibited from growing their own supply of cannabis. Under the proposed “Cooperative Grow” endorsement, an adult with a Cottage Industry license could lawfully increase the number of plants at their home and allow up to 4 other adults to grow cannabis within their home, on their property, and outdoors.

Also, hemp and cannabis grown with the sun and in the Earth has the ability to successfully sequester carbon, combat urban heat islands, reduce runoff, and remediate soil. Growing it organically with regenerative agriculture practices outdoors should be encouraged by any legislation. Forcing growers to only grow indoors and under lights will only lead to more environmental and social justice issues, with an increased carbon footprint.

Not only should medical cannabis producers and sellers be held to a gold standard with regard to the cannabinoid/terpene profile testing and safety testing of their products, but I strongly believe that adequate resources for people to be able to test home grow should also be available and encouraged.

The medical cannabis program should be reformulated from the ground up. Right now the Medical Cannabis program is failing because it was designed to be extremely restrictive. Too few plants, too few cultivation centers, too few dispensaries, too high of a cost for customers - There should be no caps on the numbers cultivation centers or dispensaries. Patients should be able to self-recommend. Paying a doctor to give you a recommendation, paying the DC government to get a card, and paying taxes on medicine, are all impediments to safe access to quality cannabis. The DC government will make more tax revenue, employ more adults, and provide more cannabis to adults when the medical program becomes an over the counter program and this will only happen if the limiting statute of DC’s medical cannabis program is overhauled.

This legislation should address the number one reason adults are still harassed by the police. Public consumption of cannabis needs to be legalized immediately. Police resources should not be used on adults consuming this plant. Public consumption of cannabis is already happening now in DC and we need to stop criminalizing people. There are thousands of DC residents who cannot consume cannabis at their homes and at the very least, they should be able to consume cannabis wherever people are allowed to smoke cigarettes. On-site consumption lounges are good, but with the coronavirus pandemic still ravaging our neighborhoods, outside is better.

Finally, the writing is on the wall that there is a crackdown coming with respect to cannabis “gift shops” currently operating in DC. This legislation needs to give every cannabis-related business currently operating in DC the opportunity to get a license. Right now ABRA is holding back the licenses when it could be issuing them on a regular basis. Worse, the 18 month delay built into this legislation for ABCA to issue implementing regulations means the current monopoly held by the medical cannabis licensees will continue for the foreseeable future. And during that time, numerous DC small businesses will be raided and shut down. The alternative, however, is amnesty. Amnesty is needed so any unlicensed business can become licensed within the next year and there needs to be a moratorium placed on any raids on DC’s “gift shops.” Amnesty is the best gift you can give and it doesn’t cost you anything. Please consider it. Thank you for your time and I welcome any questions you may have.

November 19, 2021

TESTIMONY OF JENNIFER DAYLE FINK

REGISTERED NURSE, REGISTERED CANNABIS OIL PATIENT

PERTAINING TO BILL 24-113 MEDICAL CANNABIS AMENDMENT ACT OF 2021 AND
BILL 24-118 COMPREHENSIVE LEGALIZATION AND REGULATION ACT OF 2021

Thank you, Councilmembers, for your dedication to correct cannabis prohibition, historical social injustice and inequities to ensure the health and safety of others in the community.

I am a concerned citizen, medically disabled, registered nurse in a work program, volunteer COVID-19 RN and cannabis right's supporter. I have found the benefits of cannabis outweigh the risk of using pharmaceuticals. I have witnessed destruction and confusion over "legal drugs" such as vaccines, pharmaceuticals, food, alcohol, and medication. My experience with cannabis started at birth being born to a teen "pothead" mom, I have lived with cannabis my life rather by choice or not. I know the stigma all too well being a family torn apart by outdated drug laws and regulations that goes on and on with no favorable end while cannabis stays in the current drug schedule federally. The need of humans to access cannabis for medicinal use without fear of drug testing, social bullying, losing their employment, and children has caused people regardless of race, religion, political affiliation, continues the painful cycle. After much trial and error on my body, mind, and spirit my life mission is finding homeostasis for everyone. Personally, and professionally, I have utilized many modalities of treatment throughout my life while tirelessly balancing the amount of time in education, research, scripture, prayer, music therapy, dance, psychotherapy, laughing, nutrition, exercising, and finding the right medications do lifestyle changes that brought homeostasis. Reading and understanding the labels on the products prior to ingestion, application, or inhalation whenever possible to audit health and wellness outcomes brought success.

I would like to see laws that included growing, licenses for all people not just the financially wealthy. Laws that release people from the jail physically, mentally, spiritually for utilizing a God given plant.

Being a patient for a year, is terrifying at times. During my medical consultation, my anxiety and pain levels were overwhelming. As my treatment began with medical marijuana, I noticed not health care professionals did not follow up with me regarding my cannabis use except a pharmacist after seeking consultation. This continues to cause disparities to others by not allowing sound education and use of the plant. The laws didn't include seeds, plants, or anyway to purchase except through a medical dispensary that monopolizes the market. Why am I only allowed to use medication in the comfort of my own home? Due to fear of being penalized, a criminal, over and over. The stigma from most family, some friends, social media, and healthcare providers can be overwhelming. However, I have regained my memory, lost 35 pounds, and gained muscle and strength. I have not felt physically better in years! I have been able to get more quality sleep. I can breathe, focus, read, write, bathe, cook, clean, and help my kids with learning. I have fought relentlessly to help my family and community gain the

knowledge for best health outcomes. However, almost half of America including our innocent children hold onto irrational fears with COVID. How can we alleviate fear? Educating others with facts. With our current laws on cannabis, we have unlimited amounts of people in pain and suffering looking forward to the day our healthcare system shares the research already done in cannabis. I have witnessed healthcare workers, Veterans and government workers wanting approval to benefit with access to plant medicine without losing their benefits and employment. I am saying this clearly and loudly, I want more research and education out to the public. Why did I have to be pushed to a point of losing everything? No medication, diet, exercise, and counseling program cured my diseases to regain my activities of daily living for longer than a few days a month until the medical marijuana program. I want true anti-discrimination laws. I want to live and work with people that accept others for who they are no matter what color, gender, financial status, or disability. I want freedom to choose what is right for my body, mind, and spirit. Federal and state regulations are fabulous tools to keep is safe. How is marijuana prohibition keeping us safe?

TESTIMONY OF MARK NAGIB
OWNER, HOUSE OF PINK II LLC DBA PINK FOX
Before the District of Columbia City Council, Committee of the Whole
November 19, 2021

I want to thank Chairman Mendelson and the City Council for introducing the Comprehensive Cannabis Legalization and Regulation Act of 2021 and taking a decisive step forward on behalf of the democratic will of Washingtonians. While I applaud the Council's efforts and the Chairman's leadership, I want to discuss some of the issues this bill, in its current form, poses to the proper functioning of an inclusive cannabis industry in the District.

I'm Mark Nagib and I'm the owner of Pink Fox, a D.C.-based lifestyle brand that I started with my partner in 2015. At Pink Fox we create art and clothing that celebrate the District and cannabis. We strongly believe that recreational cannabis consumption should be accessible and attainable for adults in a safe, responsible community environment. Prior to COVID, I employed 9 people and now I have a staff of 4 people. Since our inception, we have done everything required of other businesses in the District. We've paid more than \$300,000 in taxes to the District and the federal government during our time in operation. When COVID hit the District, we worked with the Mayor's office to protect D.C. by closing our doors (costing us tens of thousands of dollars) until the lockdown was lifted. We even opened our books to the City so we could receive a grant to try to help us make it through the lockdown. We, like many in our industry, are responsible partners of the District and want to ensure that we are not tossed out with the bathwater as the City creates a new recreational cannabis market.

This bill, much like that of Mayor Bowser, expressly makes it illegal for any contemporaneous transactions to occur with the sale of cannabis. The purpose of this provision and the intention of the Council is clear: eliminate the current "I-71" industry. While it is clear

that the Council wants to eliminate this industry, to do so without providing an avenue for these businesses to transfer operations to the regulated market is wrongheaded and dangerous.

Due to its failure to facilitate I-71 companies joining the regulated recreational market, this bill would cause the illicit market for cannabis in D.C. to explode. Businesses that have been in operation since 2015 will be faced with a choice, shutter for possibly 18 months and lose all income or enter the illicit market. According to a memo from the Chairman last month, it is estimated that more than 1,000 companies currently operate in the I-71 industry. Even if all these companies choose to shutter, that would leave tens of thousands of Washingtonians without employment. Faced with such a choice, it's very likely that many will choose to participate in the illicit market, risking safety and freedom to continue to provide for their families.

It is my strong recommendation that the Council take two actions to ameliorate this inevitable consequence. First, the bill should be amended the definition of "Social Equity Applicant" to include companies that have operated under I-71 for the last two years and have paid all required taxes to the City during that time. This would provide access to the licenses set aside for Social Equity Applicants. Providing this preference to I-71 companies would also serve the Council's goal of the promoting social equity in the new market. Although no statistical information is available, it's my strong belief from my six years of experience, that the majority of companies in the I-71 industry are minority-owned, just like Pink Fox.

Second, the Council should delay enactment of the prohibition on contemporaneous transactions until such time that ABRA issues the first license to a recreational cannabis dispensary. This would allow businesses additional time to save capital and apply to the recreational program before being put out of business. Additionally, without the I-71 industry or functioning recreational dispensaries, consumers will turn to the illicit market for cannabis. If

nothing else, the creation of the I-71 market has taught us that erecting barriers to cannabis procurement does not stop the demand for it. By providing a longer period for the operation of the I-71 market, the Council will help these business owners continue to provide for their families and those of their employees while also limiting the bill's unintended consequence of pushing businesses and consumers into the illicit market.

These issues are further exacerbated by the bill's timelines for licensing. If not included in the definition of Social Equity Applicant, then owners of these companies may be forced to wait a total of 18 months before being able to submit their application for a recreational license. The current definition of Social Equity Applicant includes those who have lived in certain parts of the District for at least 10 years or those who have been arrested, convicted, or incarcerated for certain, enumerated crimes. Such a definition excludes those that deserve the status, such as I-71 companies, while also creating truly perverse incentive to commit a crime now to receive preference in the future. What prevents a person that is not deserving of Social Equity Applicant status from receiving the status? A person only needs to be arrested for one of the crimes. Therefore, an affluent resident in Georgetown can simply commit the least severe crime, hire an expensive lawyer, and get away with no conviction, jail time, or even community service. That person is now a Social Equity Applicant with preference in licensing.

I know this isn't the intention of the Chairman or Council. The provision comes from the right place. Unfortunately, as currently written, it misses the mark.

In closing, I applaud the efforts of the Chairman and Council. It is my sincere hope that the City's recreational program is a success and helps to raise up the citizens of the District. However, I am concerned with the lack of incorporation of current I-71 companies into the program and what that omission will mean for more than 1,000 businesses in the City. I truly

hope the Council considers amending the legislation to avoid what will be a disastrous consequence of the bill as currently written.

Social Justice through Equitable Entrepreneurship

Good Morning Committee of the Whole-

My name is Shad Ewart and I am a professor who has taught about the cannabis industry for the last 6 years. During that time I have studied the various cannabis regulations for each state that has legalized cannabis: islands of legality in a sea of illegality.

I want to address one single part of Bill 24-118. When you are writing the final regulation please consider having NO CAPS on the number of cannabis licenses. You can set the exact same standards, but do not impose an arbitrary number of available licensees and therefore you will have a freer market. If you do not, you will create something that no one wants: A Government Controlled Monopoly.

Without caps, there are four distinct benefits:

- 1- Social Justice through Equitable Entrepreneurship- small, local entrepreneurs will get a shot at this burgeoning industry;
- 2- You remove the incentive for Multi-State Operators to come to DC and scap up the licenses;
- 3- Since ownership stays in DC, the wealth will stay in DC and
- 4- A freer market place puts downward pressure on prices and the cannabis patients and customers benefit.

This is a win, win, win, win.

Please, no caps on cannabis licenses.

Thank you for your time and I will entertain any questions.

Shad B. Ewart

**Written Testimony of Gregory Kaufman Regarding The Comprehensive Cannabis
Legalization and Regulation Act of 2021 (Bill 24-118)**

Chairman Mendelson and fellow Councilmembers:

Thank you for advancing this much needed piece of legislation and offering the opportunity for interested parties to provide their testimony. I am a fourth generation Washingtonian and practice law in the District. Councilmember Cheh taught me criminal law while I was a student at The George Washington University School of Law. Part of my practice includes being the Co-Leader of my firm's Cannabis Industry Team and author of The State of Cannabis Law. The book offers a detailed breakdown of the legal and regulatory treatment of cannabis in the fifty states and the District of Columbia. Through authoring the book and working with cannabis industry clients across the country, I have a deep understanding of how states with licensed recreational cannabis programs regulate their industries. Generally speaking, each state has a unique approach to licensing, regulating and taxing market participants, and some do it better than others. We, in the District, have the benefit of learning from those that have gone before us.

I note that I speak today as a citizen of the District and not on behalf of the law firm for which I work or any clients that I work with.

I commend the Council for considering legislation that will create a long-overdue regulated marketplace. There may only be a short window during which the District can implement a regulated marketplace without Congressional interference. Urgency is needed but so is careful consideration of what type of regulated market we want immediately and in the future.

Overall, Bill 24-118 gets a lot right. Nevertheless, I offer these observations and critiques for your consideration. My observations/critiques are based on experiences I have had navigating similar laws in other jurisdictions, while others are based on my overall understanding of the challenges that existing regulated recreational markets currently face.

- Social Equity programs across the country have, by in large, been failures due primarily to the lack of access to the substantial capital required to successfully start and operate cultivation, manufacturing and retail cannabis businesses. Providing opportunities for individuals and communities disproportionately harmed by the War on Drugs is and should be a primary goal of this legislative body. I suggest that the program favor grants over loans where possible. The harder we make it for social equity conditional license holders to access the capital they need, the more likely we are to see attempts to circumvent the straw ownership prohibition, failed businesses and attempts to sell licenses to the highest bidders.
 - Regarding the provision (§25-2107) addressing the transfer of SE licenses within five years of issuance, I agree that all loans, grants and fees should be repaid. Nevertheless, those seeking to acquire these licenses will likely happily pay the amounts due and simply treat those costs as the price for acquiring a license in a limited license jurisdiction. I suggest adding a substantial license transfer fee for

SE licenses that are transferred to non-social equity owners within the five year period or longer, in addition to the repayment scheme in the bill.

- Consideration should be given as to whether there should be a license category for wholesalers who would buy product from cultivators and manufacturers and sell product to other manufacturers and retailers. As it stands there is no distinct license for wholesalers. Manufacturers are able to sell and deliver products at wholesale, however it should be made clear as to whether manufacturers can sell to other manufacturers or if manufacturers can simply operate as wholesalers without employing any of the other manufacturing operations contemplated under a manufacturer license. Giving manufacturers the ability to operate as wholesalers and do business with other manufacturers may provide for more competition and greater availability of product at the retail level.
 - The existing alcohol distribution industry has expressed interest in being involved in the cannabis distribution space when federal illegality ends. The Council should consider whether a licensed cannabis manufacturer/wholesaler/distributor can also hold an alcoholic beverage license if the alcohol and cannabis distributions businesses operate separately. There does not appear to be a compelling reason why such a dual license structure should not be allowed. Therefore, providing clarity in the Act would be informative.
- The Act imposes restrictions on the number of licenses an applicant or licensee can hold presumably in an effort to prevent overconcentration of licenses with common ownership. However, the Act simply refers to how many licenses can be held without defining what it means to “hold” a license. Does hold equate to control and, if so, what constitutes control? Does hold mean having a direct or indirect interest in a license? Does the use of management services agreements conflict with “holding” limitations or can the two coexist? I suggest that the Act define what it means to “hold” a license in the context of concepts like ownership, control, direct interest, indirect interest and the provision of management services.
- The desire for residency requirements is understandable as the Act seeks to keep the industry locally owned and avoid straw ownership. However, there have been a number of legal challenges to residency requirements in state cannabis licensing regimes, citing the dormant commerce clause and the Supreme Court’s decision in *Tennessee Wine & Spirits Retailers Assoc. v. Thomas*. Successful challenges to residency requirements have occurred in Missouri (*Toigo v. Dept. of Health and Senior Services*); Detroit (*Lowe v. City of Detroit*) and Maine (*Northeast Patients Group v. Maine*). Conversely, the District Court in *Original Investments, LLC v. Oklahoma* denied applying the dormant commerce clause to the federally illegal cannabis industry in the state. A similar challenge is likely to be made in the District and the Council should consider ways to accomplish the locally owned goal should the residency ownership requirement be found to be unconstitutional. Carefully crafting the legislation to narrowly tailor the residency requirement to advancing a legitimate local interest and making findings to that effect could help insulate the Act from a dormant commerce clause attack.

- The Act speaks to transportation of product in the process of making deliveries to customers and patients. The Council should consider adding a section to the Act addressing the safe and secure transportation of cannabis and cannabis products from cultivators to manufacturers, from manufacturers to testing labs and from cultivators/manufacturers to retailers. At a minimum, the Act should direct the ABCA to draft regulations addressing safe and secure transportation.
- The Act would tax retail sales at 13% and medical sales at 6%. The simple tax structure is commendable, however, landing on the tax rate that will encourage legal sales and discourage sales in the illicit market is a difficult task. Therefore, the Act should dictate a regular review of the existing tax rates and provide for the ability to adjust the rates in order to support the legal market to the detriment of the illicit market, while avoiding the temptation to use the tax rates solely for the purpose of revenue generation.
- There appears to be a conflict between the allowance for employees to use legal cannabis during hours when they are not working or are not “on-call” while at the same time allowing employers to compel employees and those on-call to submit to drug testing to prevent the use of cannabis in the workplace. Because current testing for cannabis intoxication cannot accurately determine when the THC detected was consumed, a conflict between allowing off-time use and prohibiting workplace/on-call use is inevitable. The Council should consider imposing the burden of proving that the failed cannabis drug test resulted from the use of cannabis during work or on-call hours on employers.

This Act is a great opportunity to complete the job of regulating cannabis at the recreational level and end the current gray market operating in the District. Thank you again for the opportunity to speak to the Council and I hope that my comments and suggests help to improve the legislation under consideration.

Respectfully Submitted,

Gregory S. Kaufman, Esq.
Ward 3 Resident

November 19 , 2021

Committee of the Whole
Committee on Business and Economic Development
Committee on Judiciary and Public Safety

Hearing on Bill 24-113 Medical Cannabis Amendment Act of 2021, and
Bill 24-118, the Comprehensive Cannabis-Legalization and Regulation Act of 2021

Greeting Chairman Mendelson and Counselmembers assembled. I am Corey Barnette, founder and operator of District Growers, LLC and Kinfolk dispensary – both licensed since the inception of the medical marijuana program. In addition to being a licensed owner, I have worked tirelessly to promote decriminalization of marijuana, expungement of records, jobs and ownership for returning citizens and other impacted by the war on drugs, improved patient access to medical cannabis, and the taxing and regulation of cannabis for adult use.

Thank you each for taking the time to have a hearing on these two very important bills. I applaud the efforts both to solve outstanding issues within the Medical Cannabis Program and to introduce a pathway towards regulating cannabis for adult use.

First on Bill 24-118, it is my evaluation based on greater than 13 years experience as a licensed operator, having helped multiple states consider both medical and adult use legislation, and having worked with regulators in more than 8 states that Bill 24-118 goes farther towards addressing social equity issues than any other bill of its kind in the nation thus far. Additionally, Bill 24-118 affords DC resident owners, service providers, and employees more home-grown opportunity than any other controlled market legislation that I have witnessed come to fruition.

In an effort to continue the path towards a better market, I would propose that certain provisions be expanded and/or improved, including but not limited to:

- There should be zero tax on medical marijuana products as is the case with other medicines.
- Better defining social equity provisions so as to better target those truly impacted by the war on drugs over those recently moved to “impacted areas”
- Consider that off-premsis licenses should be at least 2500 ft to 1 mile from each other to prevent over concentration
- Allow medical cannabais edible products to have higher potency limits than adult use products, etc.

I have included comments to the legislation in documents provided as part of my testimony.

On Bill 24-113, the bill as currently written addresses a number of items badly in need of attention and regulation. Thank you for your time and effort on Bill 24-113 as well. However, there remains a sizable barrier to the medical cannabis program – the administrative hurdle to entry.

Just as physicians, owners, employees, and patients currently attest to their knowledge of local and federal the laws around the medical program, patients aged of 21 or older should be able to attest to their medical cannabis need. Currently patients are lured into unsafe channels in the illicit market rather than suffer the administrative hurdles of the medical cannabis program. Without a lower cost same-day access framework, the program will continue to loose pace.

In the past, I've heard that a significant reason for maintaining the current framework is the need to generate fees to cover the cost of regulation. I would propose that more revenue can be generated by charging a per-transaction fee of \$2 for "self atestation transactions" or through some other method of assessment.

Consequently, I would propose that ABCA be given the freedom to redesign patient entry methods in a manner that allows medical cannabis operators the ability to better compete with an illicit market that has proven little to no regard for following rules or stated regulations.

Finally, I would propose that the counsel act quickly to curtail the illicit market. The city has to act now if we are to be successful in:

- Achieving the goal of having a well regulated program where in all operators follow the rules and regulations,
- Providing a pathway to ownership for social equity applicants,
- Creating jobs that will largely impact those areas hit hardest by the war on drugs,
- Funding programs designed to repair damage resulting from the war on drugs,
- Creating and growing of the hundreds of ancillary businesses that will support this industry – many of which are likely to be Black and Latino owned given the robust social equity provisions of this legislation, and
- Assuring that the medical marijuana program thrives as a safe provider to patients in need.

As one who as worked tirelessly on every piece of marijuana related legislation that has come before the Counsel in the last 13 years, I implore you to act emergently to introduce provisions for civil penalties that lead to shut down of illegal operators in the city – most of whom are not minority owned but wear black face, often are located to close to schools and playgrounds, market to children, do not pay the appropriate amount of taxes, and fail to promote a well regulated industry. Considering that no state that failed to shut down illegal operators has successfully created an adult-use market that met expectations, I implore you to protect these wonderful Bills by acting emergently to shut down illicit rule breakers.

Thank you for your time and I have included mark-up of both Bills as part of my testimony.

Corey Barnette

WRITTEN TESTIMONY

TO: Chairman Phil Mendelson, Co-Chairman Kenyon McDuffie and other Honorable Councilmembers.

FROM: Jennifer Snowden, Founder and CEO of High Road Delivery

DATE: December 3, 2021

RE: DC COUNCIL BILL 24-114: The Comprehensive Cannabis Legalization and Regulation Act & the Medical Cannabis Amendment Act of 2021

As founder and CEO of High Road Delivery, a cannabis software/ e-commerce delivery platform operational in 5 states, including DC and a proud native Washintonian I look forward to the future of the cannabis industry in Washington, DC but we must not forget that the criminalization of cannabis was not rooted in science or public safety, but discriminatory intent. Based on reports, 81% of cannabis owners are white, less than 5% Latino and less than 4% black. While our eyes look forward to a new era, it is imperative we turn our heads to gaze upon the destruction left behind and ensure that the path we're paving takes into the utmost consideration, the inclusion of communities of color in an industry that has historically ignored and intentionally excluded them from the conversation. We must not forget to look back on DC's active participation in the criminalization of cannabis and the communities of color it gravely affected for over 50 years.

I am excited to see the progression of our cannabis program here in the District. I've worked in the cannabis industry for over six years and have had the opportunity to work with large multi-state operations, locally owned-operated dispensaries, large cannabis VCs, legacy markets and everything in between. I'm thrilled to see this conversation moving forward and I love how thoughtfully it involved these different perspectives. As we have seen in other states, pretty language enacted into law but without teeth has led to disastrous implementations riddled with inequity, lawsuits and unfortunate delays that almost always affects communities of color the hardest.

The Medical Cannabis Amendment Act of 2021

Getting into the weeds, D.C. Law 13-315; D.C. Official Code § 7-1671.01 states that "[a] returning citizen or a District resident who has been arrested or convicted for a cannabis business enterprise, shall be awarded preference points equal to 50 points or 20% of the available points, whichever is more" without providing a proper definition to ascertain exactly who this legislation is referring to. If the intent is to make up for DC's Legalization of Marijuana for Medical Treatment Initiative of 1999 which prevented anyone with a felony conviction or misdemeanor marijuana offense from being an employee, director, agent, or member of a

medical dispensary or cultivation center then there should be requirements in place that address the potential for these individuals to be taken advantage of by larger entities as a strawman to obtain licenses in the DC market without giving these returning citizens their fair share of the profits. We owe these communities the opportunity to succeed in this industry and not set them up to be taken advantage of because of the high amount of points given to them for simply being returning citizens.

The District has the opportunity to [learn from the mistakes](#) that other states have made when trying to legalize cannabis and give social equity entrepreneurs a chance to gain generational wealth and address the harms that the failed War on Drugs had on communities in D.C.

Recommendations to prevent strawman applicants (additions in bold)

- Insert the following language into Section 5 Paragraph C Subparagraph A section ii of B24-0113:
 - 13 (c)(A) An application for registration of a dispensary, cultivation center, or testing laboratory submitted by: **(ii).** A returning Citizen or District resident who has been arrested or convicted for a cannabis offense shall be awarded preference points equal to **15 points or 6% of the available points, whichever is more. In order to get the full allotted points a returning Citizen or District resident who has been arrested or convicted for a cannabis offense must have a business enterprise, including sole proprietorship, partnership, limited liability company or corporation that is**
 - **(a) at least sixty percent owned by one or more returning Citizens or District residents who have been arrested or convicted of a cannabis offense;**
 - **(b) a enterprise in which such returning Citizen or District residents who have been arrested or convicted of a cannabis offense ownership is real, substantial and continuing;**
 - **(c) an enterprise in which such returning Citizen or District resident who has been arrested or convicted of a cannabis offense ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;**
 - **(d) an enterprise that is a small business; and**
 - **(e) an enterprise authorized to do business in the District and independently owned and operated; and**
 - **(f) an enterprise that cannot be purchased in advanced for a predetermined price by someone who is NOT a returning Citizen or District resident who has been arrested or convicted of a cannabis offense.**

Add subsection (c) (A) (ii)(1) to read as follows:

Licenses issued under the returning citizens or District resident who has been arrested or convicted of a cannabis offense requirement shall not be transferred or sold within the first five years of issue, except to a qualified returning Citizen or District resident who has been arrested or convicted of a cannabis offense applicant and with the prior written approval of the board. In the event a returning Citizen or District resident who has been arrested or convicted of a cannabis offense applicant seeks to transfer or sell their license at any point after issue and the transferee is to a person or entity that does not qualify as a returning Citizen or District resident who has been arrested or convicted of a cannabis offense applicant, the transfer agreement shall require the new license holder to pay to the board any outstanding amount owed by the transferor to the board as repayment of any loan issued by the board as well as any other fee or assessment as determined by the board.

Delivery Dispensary endorsement

In terms of the delivery dispensary endorsement section, the purchase limits for patients outlined in Section 7(c)(3) state that a company can only deliver to a patient or a patient's qualifying caregiver once per day.

Requiring that delivery companies only deliver to a patient once a day is unreasonable because from a business perspective there are times when an order might be incorrect or an item is missing and a driver will have to go back to the patients home to correct any mistakes that might happen during or immediately after a delivery. In fact, purchase limits at all should be removed from the bill altogether. The Board has previously stated that the restrictions are there to prevent people from reselling the medicinal cannabis, however, in an adult-use market (1) cannabis is so accessible that there isn't a need to have someone buy it for you, and (2) the price of the cannabis products are high enough that a person cannot reasonable resell the products. Instead, I propose that we allow dispensaries to establish their own customer limits based on how many products they sell per week to the average customer.

Recommendations for purchase limits (additions in bold)

- Revise Section 7(c) of B34-0133 to include the following:

(a) **Notwithstanding any other provision in this chapter, the holder of a dispensary registration shall be eligible to apply to the Board for a delivery endorsement. The holder of a delivery endorsement shall be permitted to offer curbside pickup and deliver medical cannabis directly to a qualifying patient's caregiver at residential and commercial building addresses located in the District that are not on District government or Federal property or**

public or private school grounds. For purposes of this section, a public or private park shall not be considered to be either a residential or commercial building address.

Add new subsection (a)(1) Provisions governing the delivery of medical cannabis

1. Deliveries may only be made by a delivery endorsement. 2. Deliveries shall be made only to a legal consumer by an employee of the delivery endorsement holder. 3. A delivery employee shall only deliver cannabis goods to a physical address. 4. A delivery endorsement holder shall staff each delivery vehicle with an employee who shall be at least twenty-one years of age. 5. Each delivery employee shall carry a copy of the delivery endorsement holders employee identification card. 6. The delivery employee shall present the delivery endorsement holders employee identification card upon request to District and local law enforcement, employees of regulatory authorities, and other District and local agencies enforcing these rules. 7. Each delivery employee shall have access to a secure form of communication with the delivery endorsement holder, such as a cellular telephone, at all times that the vehicle contains cannabis goods. 8. A delivery employee, during a delivery, shall maintain a physical or electronic copy of the delivery request and shall make it available upon request of the licensing authority and law enforcement officers. 9. A delivery vehicle must be equipped with a secure lockbox, container, or cage, which shall be used for the sanitary and secure transport of marijuana. 10. A delivery employee shall not leave marijuana goods in an unattended motor vehicle unless the motor vehicle is locked and equipped with an active vehicle alarm system. 11. A delivery vehicle shall contain a Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. The device shall be either permanently or temporarily affixed to the delivery vehicle while the delivery vehicle is in operation, and the device shall remain active and in the possession of the delivery employee at all times during delivery. At all times, the delivery endorsement holder shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the delivery license holder and shall provide that information to the Board upon request. 12. A delivery endorsement holder shall, upon request provide the regulatory authority with information regarding any motor vehicles used for delivery, including the vehicle's make, model, color, Vehicle Identification Number, license plate number and Department of Motor Vehicles' registration. 13. A delivery endorsement holder shall ensure that vehicles used to deliver marijuana bear no markings that would either identify or indicate that the vehicle is used to deliver marijuana. 14. A delivery endorsement holder shall ensure that deliveries are completed in a timely and efficient manner. 15. The delivery employee may carry cannabis goods in their vehicle for which a delivery order was not received and processed by the licensed retailer prior to the delivery employee departing from the licensed premises. 16. A delivery employee, while making deliveries, shall only travel from the retail licensee, microbusiness licensee, or

delivery license holder licensed premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the retail licensee, microbusiness licensee, or delivery license holder's licensed premises. 17. A delivery endorsement holder shall maintain a record of each delivery of marijuana in a delivery log, which may be written or electronic. 18. A delivery endorsement holder shall report any vehicle accidents, diversions, losses, or other reportable events that occur during delivery to the appropriate authorities. 19. A delivery endorsement holder's employees shall not consume cannabis goods while delivering cannabis goods to customers. 20. Standard operating procedures for every delivery endorsement holder shall be presented and approved during the delivery endorsement application process to the appropriate authorities.

(b) A dispensary with a dispensary endorsement shall:

- (1) Receive and only accept an order by electronic means ~~or other means~~ from a qualifying patient **before cannabis products reach the customer;**
- ~~(2) Deliver no more than once per day to the qualifying patient or the qualifying patient's caregiver.~~

The Comprehensive Cannabis Legalization and Regulation Act of 2021

- Amend Section 25-2105 to include the following **(additions in bold)**:
 - (b) ABCA has the power to: (6) Utilize **certified minority-owned ("MBE") business** vendors **and/or meet the same local ownership requirements as recommended below** ~~or contract work~~ to carry out the purposes of this act.
- **Reasoning:**

If the ABCA Board is truly committed to addressing the historic and current harm that the failed War on Drugs has had DC residents, specifically Black DC residents, then the Board should utilize certified MBE vendors to carry out purposes of this act. As a result, I believe that a considerable number of the vendors that support this regulated cannabis industry should be MBE vendors.

Cultivation licenses

- **Amend Section 25-2201** to include the following **(additions in bold)**:
 - o (a) A cultivation licensee shall authorize the licensee to grow and produce medicinal and/or recreational marijuana for sale and delivery at wholesale directly to **cultivators**, manufacturers, testing facilities, and retailers.

- o (b) The holder of a cultivation license shall **not** be permitted to sell or deliver cannabis or cannabis products directly to the consumer **and be eligible for a delivery endorsement if they qualify as a social equity licensee.**
- o **Reasoning:** Regulation, taxation, price decline and competition are amongst the many factors affecting supply chain businesses and especially small cultivators, many of whom are social equity business owners, who have borne the burnt of the risk historically associated with industry participation. Legalization, regulation, and taxation continue to affect pricing with a disproportionate impact on smaller producers that don't benefit from economies of scale. Small social equity cultivators with high fixed costs will be challenged to compete in a market with declining prices, increasing taxes and greater costs of testing and compliance. These kinds of barriers are only surmountable by the largest cultivators, often white male owned businesses, as compressing margins continue to have a disparate impact on smaller, largely social equity owned, participants. By allowing social equity owned businesses to sell their products directly to consumers the Board can help to alleviate these costs and issues for smaller businesses run by underrepresented founders in the cannabis space that have been disproportionately impacted by the War on Drugs.

Manufacturer licenses

- Amend Section 25-2202 **(additions in bold)**:
 - o A manufacturer's license shall authorize the licensee to process, package, and label medicinal and/or recreational marijuana and medicinal and/or recreational marijuana products for sale and delivery as a whole directly to **manufacturer's**, testing facilities, and retailers.

Testing Facilities licenses

- Amend Section 25-2206 **(additions in bold)**:
 - o (a) A testing facility license shall authorize the licensee to test medical and recreational marijuana plants and medicinal and recreational manufactured products for contaminants, potency, **homogeneity, residual pesticides, and other heavy metals.**
 - **(i) For testing whether the THC content is homogenous, the marijuana testing facility shall report the THC content of each single serving in a multi-unit package; the reported content must be within 20 percent of the manufacturer's target; for example, in a 25 milligrams total THC package with five servings, each serving must contain between four and six milligrams of THC.**
 - **(ii) Each testing facility should implement a food safety program for marijuana edibles that include a hazard analysis critical control point**

(HACCP) plan, general standard operating procedures (SOPs), inspections requirements, and recall plans.

- o **Reasoning:** These types of food safety regulations are important for the following reasons: 1) immunocompromised individuals are the consumers of medical cannabis edibles; 2) cannabis edibles have a delayed effect, leading individuals to consume more than necessary in order to get a high, which calls for a better understand of dosing and need to ensure proper labeling of tetrahydrocannabinol (THC) and other cannabinoids, and 3) the District continues to legalize medical and/or recreational cannabis, it is important that the District can readily seek recommendations and information for food safety regulations provided by states that have already implemented such regulations. Most importantly, the District must be attentive to contamination due to improper growing conditions, handling and storage, chemical residues on plants and edibles, pathogenic contamination from pests and improper food handling practices, and concentration levels of cannabinoids.

Proposed recommendations:

- a. We support testing facilities in the District to allow for home grown cannabis products to be tested in their facilities.
 - i. **Reasoning:** This ensures that growers and consumers have safe products even if they are growing in their homes. From a business perspective, this could also be beneficial to the testing facilities and allow them to be profitable during the transition from medicinal to the adult-use market.

Delivery licenses

Proposed recommendations:

- b. We support the decision to not have a delivery license type right now. In the District's newly regulated market it's important to make sure that the licensees in the current license types have an opportunity to be successful. For now, retailers should be able to deliver and utilize third party delivery platforms if needed to carry out the deliveries and handle logistics. If a delivery license type is created we would support a delivery license that would allow wholesale purchasing abilities to allow smaller licensees to have the ability to make a profit.

Ownership by Residents and Local Hire requirements

- Amend Section 25-2303 **(additions in bold)**:
 - o (a) Except for those owners of medical marijuana facilities licensed as of the effective date of this Act, an applicant for a cultivation, manufacturer's, microbusiness, or

off-premises retailer's license shall have one or more District residents, which individually or collectively, own at least 60% of the licensed establishment. Persons claiming to be District residents shall submit adequate proof of District residency ~~determined by ABCA~~ according to the following standards and affirm an intent and commitment to maintaining District residency during the period of ownership of a licensed facility covered by the requirements of this subsection.

- (1) a District resident for 10 of the past 30 years preceding the date of application, have paid taxes in the District and continue to so reside throughout the period of licensure; or
 - (2) a District resident for 8 of the past 30 years preceding the date of application, have paid taxes in the District and continues to so reside throughout the period of licensure, and is a low income applicants at the time of application; or
 - (3) a District resident for 5 of the past 30 years preceding the date of application, have paid taxes in the District and continues to so reside throughout the period of licensure, and has a prior controlled substance record, as defined in this bill, or a parent with a prior controlled substance record as defined in this section under the following circumstances:
 - (i) the parent is named on the applicant's birth certificate, and the parent's conviction took place before the applicant's 18th birthday; or
 - (ii) the parent has claimed the applicant as a dependent regularly on federal income tax filings, and the parent's conviction took place before the applicant's 18th birthday.
- o (c) Straw ownership for the sake of fulfilling the ownership requirements of this section is banned, both for the District resident(s) and the out of state residents purporting to give the District resident(s) a 60% ownership share in a license under this subsection. To ensure that no straw ownership occurs the following requirements for ownership for vendors, contractors, or license owners shall be in place for every applicant:
- (i) the District residents ownership must be real, substantial and continuing;
 - (ii) the District resident ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;
 - (iii) the District resident's business is independently owned and operated; and
 - (iv) the District resident has paid taxes in the District for 10 of the last 30 years.

Proposed recommendations (additions in bold):

- a. **Require local participation for vendors/contractors that will be working with qualified District licensees. We suggest that all vendors/contractors have lived in the District for at least 10 out of the last 30 years preceding any work they do within the industry and show proof that they paid District taxes during that time.**
- b. **Management companies should be prevented from using a “straw person” to get around these residency requirements by including language above.**

Transfer of licensed establishment to a new location

- Amend Section 25-2307 **(additions in bold and omissions strike out):**
 - o (b) An application to transfer a license to a new location shall not be permitted to be filed by an applicant who:
 - (1) ~~Failed to open for business within 180 days of being issued a marijuana license;~~
 - (2) Stopped operating within 90 days of being issued a marijuana license for more than 14 calendar days in the absence of a showing of good cause and approval by ABCA for a longer period of delay or closure. This subsection shall not apply to an applicant that has stopped operations due to a fire, flood, or other natural disaster, a public health emergency, or due to rebuilding or reconstruction.

Proposed recommendations (additions in bold):

- a. Omit language that requires businesses to open within 180 days of being issued a marijuana license as this time limit might not work for social equity applicants or applicants that are District residents who have been convicted or arrested of cannabis offense. Many of these applicants will rely on District funding to become operational and the funds may not arrive within the 180 day time period.
- b. Another option is to insert the following language into Section (b)(1) of 25-2307:
 - i. Failed to open for business within 180 days of being issued a marijuana license **with the exception of social equity and District residents who have been convicted or arrested of a cannabis offense and have yet to receive District funds promised to them to start their businesses.**
- c. Social equity licensees might be negatively influenced by the requirement that they cannot move to a new location if they stop operating within 90 days of being issued a license as cannabis is still looked upon negatively and landlords often take advantage of cannabis businesses by charging higher than average prices to lease space and kick cannabis businesses out of spaces without warning.

Our recommendation is that there be some sort of exception to this requirement if a licensee's space is compromised or there are some circumstances that are outside of their control.

Restrictions on proximity to schools and recreation centers.

- Amend Section 25-2308 **(additions in bold)**:
 - (a) The Board shall not issue, except as to entities licensed as of the effective date of this act, a cultivation, manufacturer, microbusiness, or off-premise retailer's license to any establishment located within 400 feet of the proximity of a pre-existing public, private, or parochial primary, elementary, or high, or the boundary of a recreation area operated by the District of Columbia Department of Parks Recreation, **or any other Retailer or Microbusiness.**
 - **(i) Exception: On-site consumption lounges that are owned and operated by a Retailer licensed by the District to engage in onsite consumption and retail sales of cannabis products.**
 - **Reasoning:**

Given the small size of the District this amendment is being proposed to prevent what we see in some areas of the city where there are alcohol retailers on every city block without being a burden to licensees who own both a retail license and an onsite consumption license.

Hours of operation for cultivation and manufacturers

- Insert the following language into Section 25-2704 **(additions in bold)**:
 - **(b) A licensee authorized to sell cannabis or cannabis products at onsite consumption lounges to consumers shall be permitted to sell cannabis or cannabis products between the hours of 7 a.m. and 2 a.m., seven days a week, or as may be further limited pursuant to D.C. Official Code § 25-2706.**
- **Reasoning:**

Onsite consumption lounge licensees should be able to have operating hours that are consistent with alcohol establishments in the District.

Seed-to-sale tracking and wholesale purchase systems

- Amend Section 25-2707:
 - (a) A licensee shall be required to utilize and record inventory ~~in a~~ **using** seed-to-sale tracking **and distribution, delivery and e-commerce software** selected and approved by the Board. The licensee shall be responsible for purchasing radio-frequency identification (RFID) tags and hardware to utilize the designated

software and may be charged a user fee by the Board. The Board shall establish rules regarding the entry of data by licensees into the seed-to-sale tracking system.

- o (b) In addition to a seed-to-sale tracking system **and distribution, delivery, and ecommerce software** in subsection (a), the Board may, through rulemaking, require all licensees to utilize a wholesale purchasing system and **logistics solutions** for wholesale **and direct to consumer buying**, selling, **and distribution, delivery and e-commerce** of marijuana and marijuana products.

Production of valid identification document required

- Amend Section 25-2715 **(additions in bold)**:
 - o (a) A licensee shall refuse to sell or deliver cannabis or cannabis products to any person who cannot or refuses to provide the licensee with a valid identification document.
 - o **(b) An off-premises retailer must require a person 21 years of age or older to upload a photo of their government issued identification to a secure on-line e-commerce database before an order can be placed to verify their age before a delivery disbursed.**
 - o **(c) An off-premises retailer or microbusiness shall require a person 21 years of age or older to sign for the delivery and shall ensure that the name on the valid identification document matches the name of the customer who placed the on-line order.**
 - o **(d)** A licensee or a licensee's employee shall take reasonable steps to ascertain whether any person to whom the licensee sells or delivers cannabis or cannabis products is of legal age.
 - o (e) In order to ensure individual privacy is protected, customers shall not be required to provide microbusiness or off-premises retailer with personal information other than a valid, government-issued identification necessary to determine the customers' age.
 - o **(f) The person ordering the delivery or a person 21 years of age or older must physically be in the home or the commercial building at the time of delivery, not on a porch, driveway, walkway, street, alley, plaza, or in the yard. The purchaser must sign for receipt of the delivery, and affirm that to the best of his or her knowledge, there is no gun in the residence or business where the cannabis is delivered.**
 - o **(g) Off-premises retailers or microbusinesses offering home delivery after 4 years of the effective date of the act must state prominently on their website and by telephone when telephonic orders are placed that it is illegal under federal law to receive, possess, or use cannabis in federally-funded public housing under the federal Controlled Substances Act, so long as that remains the case.**

- o (h) The Board is authorized to issue regulations regarding the standards for verifying, recording and preserving records relating to identity, age, and the status of an address as a residence or commercial building as not being on District government or Federal property or public or private school grounds, and record retention.

Revenues

- Insert the following language into Section 25-3003 **(additions in bold)**:
 - o (c) Except as provided in D.C. Official Code §§ 25-2104 and 25-2108, all funds obtained from the tax imposed under D.C. Official Code e §25-3001 shall be deposited into the General Fund of the District of Columbia.
 - (i) **Tax payments must be made electronically within a week of receipt of payment from the customer.**
 - **Reasoning:** The District can have better data as terms of forecasting revenue for the city and ensure the District can expedite the availability of funds for social equity and District residents who have been convicted or arrested for a cannabis offense.

Greetings. I have been asked to share my Takoma Wellness Center experience and how being a patient since 2016 has benefited my life. Back then, I was seeking aid for menstrual cramps, back and knee pain, PTSD and insomnia. In the past when each of these ailments would be presented to my doctor and later dentist, they would all be sympathetic, cite my age, and advise me the only way to treat my ailments was with a variety of prescription or over-the-counter lab-created medications. Motrin was advised for cramps and tendonitis type pain. My cycle was less than monthly, and the need for pain relief pills really started to add up. I found it was less toxic for me and I could be productive if I smoked or ingested cannabis to treat my constant discomfort.

In February 2020, a major source of suffering ended for me with a full hysterectomy. Having edible options after major surgery meant I didn't have to rely on oxycodone or motrin for pain relief. I was on medical leave for 8 weeks. The full recovery is at least a year. The edibles I used gave me long lasting body pain relief, and I've had tremendous success with my hip and back aches by treating them with THC/CBD salves.

I recently wore metal braces. When my titanium wires were tightened every 6 weeks, I wanted to pull my teeth out at first, at least until I spoke with staff about my pain. I could choose an alcohol or oil-based tincture and they clearly explained how each could be beneficial. I tried it on my gums and viola no more discomfort.

Like many people I have PTSD and anxiety. I'm very woke. I manage a demanding career and have an intense life. Sleep has always been a challenge for me since childhood. Regular exercise and yoga have been my mainstays for the past 20 years. However, I still need more help to get to sleep. My doctor would gladly give me ambien or other sleep aids. Not my preference. Some tiger rose or an edible can do wonders for me. I wake up rested, emotionally able to deal with life.

My mother passed away in March after years of struggling with Parkinson's Disease. Her anxiety was treated with two drugs, muscle freezing with something else, and it went on and on with PILLS. I am currently caregiving my husband who is at home in hospice for stage 4 cancer. I've seen first-hand how the medical community treats minor and chronic conditions. I know how prescription cocktails and opioid narcotics help keep you here, usually with side effects that require more drugs, until your organs just deteriorate. It's awful.

Everyone is expected to perform personally and professionally in their lives. I do this often with anxiety, loss of appetite and insomnia. A secret to my personal resilience is because I'm able to find relief in the variety of forms of cannabis. I love that I have a go go music playing dispensary as a part of my personal wellness plan.

DC voters have spoken and many of us thrive & survive using cannabis in Washington, DC. I know based on the current system, I'm very fortunate to receive this level of medicinal guidance and to have access to these products. I hope in the future more DC residents can benefit from Takoma Wellness in their own health journeys. Thank you for your time and consideration.

Committee of the Whole (Council)

From: Joe Tierney <joe@gentlemantoker.com>
Sent: Friday, November 19, 2021 11:20 AM
To: Committee of the Whole (Council)
Subject: Joe Tierney written testimony Bill 24-118

Hello! My name is Joe Tierney. I started the GentlemanToker.com blog that has followed legalization's progress in Washington DC since Initiative 71 was enacted.

I fully support the Medical Marijuana amendment bill. I like a lot of what I've seen in your Recreational Cannabis bill, especially the micro-business licenses, but my most important objection is the language that eliminates the Initiative 71 market.

Cracking down on these vendors before a recreational sales system is open for business will effectively bring the District back into Prohibition. Helping the struggling medical market by legislating away their choices would have far-reaching consequences that would hurt literally everyone else in the city. Here, let me explain why shutting down I71 is bad for people that like weed, people that don't really care about weed, and the city's own pocketbooks.

Whether you enjoy a spliff on a Saturday or smoke everyday, shutting down the I71 market is bad news. You won't be cut off from recreational cannabis entirely- everyone knows who won the War on Drugs. It'll simply devolve back into the illicit market from the safe, mature, competitive market that exists today.

This is largely in part thanks to city leaders like Mayor Bowser that stood up to Congressional Republicans in 2015 when they tried to block legalization entirely by way of the Harris rider. That was its original, intended purpose, to overrule the will of DC's citizens.

Even if you don't partake yourself, there are lots of good reasons you should support the city's existing cannabis laws. For starters, a staggering number of the businesses that operate under Initiative 71 are owned by people of color. You will not find such rich diversity in any other state's licensed cannabis program - there are too few licenses available and too many hurdles to clear for regular, everyday people to participate as anything other than employees. Initiative 71 represents more than legal weed. It's a rekindling of the American Dream and the entrepreneurial spirit of its citizens. I've seen so many lives transformed by the Green Rush of Initiative 71 and the path it has created to the middle class and generational wealth-building that is in scant supply elsewhere. It would be a great shame to bring this to such a sudden end instead of working out a fair middle ground that will not exclude minority-owned businesses.

If the Initiative 71 businesses are pushed out, patients will be forced to the illicit market and options that are less safe for them. Is the plan to go back to arresting people for selling weed? Which communities do you think will be most adversely affected by increased police scrutiny? I don't think you need to be Pat Sajak to solve the puzzle here. Racial tensions in this country are already heated; arresting law-abiding entrepreneurs is moving backwards on the progress we've made towards healing the wounds left in our nation's collective psyche, and minority communities in particular, by the War on Drugs.

Commercial landlords and Initiative 71 businesses formed a symbiotic relationship during the COVID-19 pandemic, creating the thriving storefront market we enjoy today. With more and more businesses going remote, retail dying to Amazon, and an ongoing pandemic, who exactly is going to fill these spaces if cannabis businesses are evicted? How will property owners restore that revenue?

Recreational cannabis availability also promotes tourism to DC. I've talked to countless visitors from all along the East Coast that came to DC to check out the weed scene here. They pay for hotel rooms, they eat out at restaurants, they patronize the District's bakeries and convenience stores. All of these businesses and more are still reeling from the economic conditions brought on by COVID-19. Distressing their margins further by discouraging cannabis tourists will surely impact whether these businesses survive.

I'd also encourage the Council to look at the situation in California. The state failed to secure buy-in from the illicit market to join the licensed market. As a result, years later, licensed operators still complain that they struggle to compete against the illicit market. If you fail to make enough licenses available in Washington DC, you will repeat California's mistake, and we will all be back here in two years to hear that licensed operators are still failing. You may as well add it to the calendar now.

Thank you for the opportunity to speak today! I'd be glad to discuss the details of the bill with you further.

Joe Tierney

Founder & Editor-in-Chief, GentlemanToker.com

Jamila Hogan Testimony

I am most known for being the first black woman to manage a dispensary on the East Coast. My work in the DC medical cannabis space has been focused on patient wellness and community education on mental wellness since before i71 was passed. Initially, the dispensary owners and i71 advocates were working together with a common goal. Since their licenses have expanded to provide more products they have completely forgone all attempts to work with the community adding opportunities for ownership, and only seek to capitalize on the patient base of Washington DC as the sole proprietors of medical cannabis.

Since 1996 dc has failed the community in providing safe access to medical marijuana, and continues to fail by the lack of testing for medical marijuana, leaving patients completely in the dark in regards to the potential psychological and physical effects of what they purchase. DC's inability to expand the supply chain with proper testing, processing, manufacturing and distribution capabilities while expanding the production capabilities and qualified patient base, shows that they do not value the mental wellness of the patients that come to DC from all over the country searching for healing.

The most beneficial form of receiving medical cannabis is ingestion. The second best form is topical. There is only one facility making honey. There is only one making rice Krispy treats and granola bars. Most tinctures are made with an alcohol base, making them ineffective as medicine. Meanwhile, there is a bustling cottage food scene that is healing the community with a myriad of ingestibles that are vegan, gluten free, and not based in alcohol or chemically extracted concentrates.

The current bill seeks to remove the ability to exchange cannabis, but has no measures at all for any compassionate care. Dispensaries and Cultivation centers are not giving back to the community in any way shape or form, and in turn the community has had to rely upon itself to provide safe medicine for their loved ones, and themselves.

The very legislation that allows dispensaries and cultivation centers to operate was advocated for and passed by residents giving away free medicine to people in need. Mostly elderly, disabled and military veterans turned out to these free treat & free tree giveaways, and experienced life changing healing experiences from our impactful educational installations.

This bill has nothing to immediately address the lack of ability to legally test and sell cannabis grown in dc. At the very minimum, the same TLC (thin line chromatography) testing requirement that is currently the standard for legal cultivation centers can be the starting requirement for home grown cannabis. In addition, a commercial kitchen can be housed along with professional packaging equipment to create a secure distribution facility that only serves DC dispensaries.

Medical dc cannabis is not tested to be medically safe. Currently there are no current standards for terpene testing, screening for heavy metals & residual solvents, or inspections for mold and mildew. I personally have witnessed numbers of violations by legal operators during my tenure managing a cultivation center, and managing a dispensary. I am here to say that I fully endorse the home growers and craft makers just as much if not more than I trust the current operators and medical license holders in the district to provide safe medicine to the patients that need it.

Our current license holders should be growing flowers that come from DC growers, providing reasonable business arrangements and strategic alliances that are not predatory in nature, allowing for community

partnerships. Established legacy DC cannabis strains such as the Washingtonian and First Lady should be embraced by our cultivators. Instead they bring seeds and clones from out of state. Their clones, and seeds are acquired with no sourcing information.

I close my testimony by asking for the taxes current and future to fund testing for both licensed and unlicensed growers, so the burden of the cost of testing is no longer a barrier to entry to an obstacle to be manipulated. Under the emergency medical expansion act, you should move more quickly to allow direct sales of tested products made by cottage business owners to be sold directly to dispensaries, and for cultivation centers to be allowed to sell directly to the patients.

Thank you,

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Ward 5 Resident

TESTIMONY OF PAUL ZUKERBERG ON EXPUNGEMENT

My name is Paul Zukerberg and I have practiced criminal law in the District of Columbia since 1985. This testimony concerns the expungement provisions of the pending Cannabis Reform Act.

The District of Columbia currently has one of the most convoluted and ineffective expungement laws in the nation. California and New York, among others, have switched to automatic expungement for prior marijuana convictions, and so should the District.

Our current law is so convoluted that each year the Public Defender's Service offers an 8 hour continuing legal education seminar for practicing attorneys on how to file expungements. If experienced lawyers need 8 hours to learn the law, imagine what it must be like for ordinary citizens.

Too few convicted marijuana offenders are eligible for expungement, and many of those who are never take advantage of the current provisions, because:

- The Criminal Justice Act does not compensate court-appointed attorneys for sealing motions, and the difficulties faced by pro se litigant working through a complex statute without counsel.
- The standards to be applied to determine if conduct has been "legalized" under § DC Code 16-803 sealing marijuana cases.
- The time it takes for these motions to be resolved, since many are for employment related background checks, which require prompt resolutions

First, any process which takes *months* or *years* to complete is too slow. In a recent case, a marijuana client was given 21 days by a background checking company to clear his criminal record. The Superior Court process took 28 *months*. Obviously that job has gone to someone else.

Second, regrettably, the Criminal Justice Act, which compensates court-appoint counsel, does not cover motions to seal records. Eligible applicants for sealing should not be denied relief because they can't afford counsel. Counsel should be appointed in the event the government challenges the petition to seal.

Finally, the judicial resources expended on the sealing portions far outweighs the resources spent on the original charges. That's a huge waste of judicial resources.

DC needs a fast and simple way to seal eligible cases. Other states allow the Clerk of the Court to grant a form application to seal. If the case falls within the parameters of eligible offenses, and there are no other charges, the Clerk removes it from the public database and issues the applicant a certificate.

Alternatively, California enacted last month a law which would seal eligible cases in mass, unless the prosecutor made a specific objection, and funded public defender services to those whose sealing is challenged.

Most clients, like mine, want their record sealed for employment opportunities. Let's help people who want to work find jobs and advancement.

Summer Kriegshauser

Written Testimony – Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021

Hello. First, I'd like to extend thanks to the council for holding this public hearing. I come to you as a recent graduate of the University of Maryland's Master of Science Program on Medical Cannabis Science and Therapeutics, the first graduate program in the United States dedicated to the study of medical cannabis, and I come to you with a window into DC grey market operations. I will be commenting on several provisions in the Comprehensive Cannabis Legalization and Regulation Act of 2021.

Line 280, §25-2101. Definitions "Social equity applicant"

This definition is too narrow in its scope. I recommend adding a few categories:

1. Minority owned businesses – national data shows that around 81% of **legal** cannabis business owners are white. Adding language around minority owned businesses would provide supports to people of color that want to get in the legal marketplace but haven't had a chance. I should also note that the grey market is incredibly diverse, and many of these people have not been arrested or convicted of a cannabis offense. Adding minority owned business language would provide these current cannabis vendors in the grey market a path to legality. By adding minority language to the social equity framework, it also has an impact on minority ownership, and minority hiring practices, and could facilitate bringing more diverse grey market individuals into the legal market.
2. Women owned businesses – many women make up cannabis business professionals in the grey market, but not in the legal space. Adding this language allows the opportunity for women to gain access to the legal market where they possibly wouldn't otherwise
3. Minority and women owned businesses – this obviously lumps together the two previous categories.

These language additions create a more encompassing definition and allow for a more equitable pool of applicants and help transition people from the **dominant** grey market to the legal market, while still focusing on people of color and women, which we have seen struggle to gain entry into the legal market.

Line 812, § 25-2404. "New license application for cultivators, manufacturers, microbusinesses or retailers."

This section states that social equity applicants must wait one year after the issuance of final regulations by ABCA to be considered for a new license. However, it states that the board may process license applications on an expedited basis from current medical establishments during

this same time. This framework gives an unfair advantage to current holders of licensed medical cannabis establishments, while removing business opportunities in a limited market to social equity applicants. I strongly encourage you to remove the one-year restriction for social equity applicants and allow them to be considered for expedited application processing immediately.

I'd like to close with praise for some of the social equity provisions included in this bill:

- Line 352 "Loans and Grants to social equity applicants" and Line 871 "Fee Waivers for social equity applicants" – The vast majority of cannabis business owners are self-funded, due to federal prohibition and lack of access to capital. Therefore, providing financial support is critical in the framework of a diverse and equitable legal cannabis marketplace. thank you for including financial support to social equity applicants in this bill.
- Line 344 "Social equity applicant set asides" – thank you for allocating half of all available licenses to social equity applicants. Purposefully setting aside such a large amount of licenses shows how important social equity is to this council, and the commitment to create an equitable legal adult marketplace.
- Line 804 "any restriction on total number of licenses shall not affect the percentage of licenses set aside for social equity applicants." – thank you for not limiting the percentage of licenses, even if the board deems necessary to restrict the total number of licenses.

I'm happy to discuss my testimony in more detail. My contact information is 202-445-9469, Kriegshauser.summer@gmail.com

Equally important as the proposed Cannabis Equity and Opportunity Fund is structuring other parts of the legislation to ensure these operators can compete -- by including micro-licensing like NM and tiered licensing like MA that reduce barriers to entry, by including social consumption licensing like NY in order to promote entrepreneurship, restricting conflicts so that no party can hold more than a single license as VA just did, and resisting overtaxation as has been done in all the states now coming on line.

Thank you for your attention and for seeking to develop a sensible and effective roadmap for uncriminalizing this plant with an eye to repairing the harm that continies to flow from misguided prohibition.

Respectfully submitted,

Pamela Wexler

pamela@wexleresq.com

202 744 6443

Suggested further reading:

[State Cannabis Reform is Putting Social Justice Front and Center](#), Brookings (April 2021)

[Being Thoughtful about Cannabis Legalization and Social Equity](#), Journal of World Psychiatry (June 2020)

[Cannabis Regulation in the USA](#), Transform Drug Policy Foundation (June 2020)

WHERE IS 24-118 SILENT/IN NEED OF CLARIFICATION | SUGGESTED FIXES

| | | |
|--|--|--|
| Possession Limits Gratuitous Transfer | How much Cannabis can I possess on my person? | ALIGN I71 & Kornegay decision re: possession and transfer |
| | How much Cannabis can I store at my private residence? | CLARIFY(INCREASE?) personal possession amount |
| | What if I grew the Cannabis myself? Can I store whatever I grow? | |
| | How much Cannabis can I give away? | |
| Penalties for Exceeding Possession Limits | What happens if I am found with more than the possession limit? | ESTABLISH home possession quantity permitted |
| | Is it criminal? | PROHIBIT public sales |
| | Is there any amount of Cannabis that is criminally chargeable? | PROHIBIT sales unless property of participant |
| | What are the penalties for sales without a license? | |
| Penalties for Failure to License | Can I legally sell my excess grow? | ALLOW 6/3 home growers to sell their excess; CREATE a license category (\$99) for 6/3 home growers who want to sell their excess, on private property |
| Sales Locations | | PROHIBIT public sale of cannabis |
| | | MAKE EXPLICIT a vehicle is not private property (NY) |
| Sales Limits | | AVOID unenforceable provisions |
| Serving Sizes | | AVOID prescriptive small serving sizes |
| Other than Flower | What are the equivalent possession/gratuitous transfer amounts of edibles and concentrate? | INCLUDE equivalent measures (ie NY 3oz flower = 24 grams of concentrate) |
| | Can I transfer plants? | MAKE EXPLICIT the right to transfer plants consistent with right to possess (6/3) |
| | Can I transfer seeds? | |
| Sentence Modification | Why is pro bono support available to expunge (paperwork) if the Clerk fails to meet the deadline to correct records, but is not available to incarcerated? | PROVIDE pro bono assistance for sentence modification |

Committee of the Whole (Council)

From: Sebastian Medina-Tayac <smtayac@gmail.com>
Sent: Friday, November 19, 2021 12:15 PM
To: Committee of the Whole (Council)
Subject: Re: Written testimony for COW, CBED, and CJPS Hearing on Bills 24-113 and 24-118

Update:

My name is Sebastian Medina-Tayac. I'm a Ward 4 resident, and my family has lived in the region for 31 documented generations as members of the Piscataway Indian Nation. I'm the Marketing Manager and Editorial Director for Eaton Workshop, a global purpose-driven hospitality brand headquartered at 1201 K St. NW. Between our lifestyle hotel, coworking space, radio station, live music venues, wellness center, and devotion to the local community and progressive causes, I recognize many people on this call as friends, patrons and guests of Eaton.

Our company, our employees, and our industry were the most gravely impacted by the pandemic. While the DC government allowed restaurants to deliver alcohol as a partial fix for the shutdown, and booze sales soared nationwide, many people in our community specifically chose to prioritize their health and turned to cannabis as their medicine during the pandemic. Throughout our reopening, we've seen increased demand for spirit-free drinks at our restaurant and bars, and the cannabis industry has made up a growing segment of our revenue. For example, we served as the hotel partner for the National Cannabis Festival, hosting their VIP events and housing attendees; they represented one of the largest group sales since the beginning of the pandemic.

A regulatory framework that includes the hospitality industry is essential if we are to recover from the pandemic and remain culturally and economically relevant, while staying true to our values which include wellness. Conscious consumers are choosing cannabis and other plant medicines over alcohol, and this is a market trend we are happy to see, but need the ability to adapt to legally. Cannabis tourism is not a bold new idea: hotels and resorts across the West Coast already offer cannabis packages and offers in partnership with licensed cannabis businesses.

As a certified B Corp, or benefit corporation, we measure and report out our business practices in regards to social equity and environmental impact. We are evaluated based on our supply chain, as well. We need to source cannabis from local, BIPOC-owned companies, and/or companies that employ regenerative cultivation practices, which means cannabis grown under the sun, organically, and without harmful pesticides. Cannabis has the amazing ability to sequester carbon, combat urban heat islands, reduce runoff, and remediate soil. Conscious companies like ours need to be able to source our cannabis from micro and cottage cultivators for this reason, who due to their small scale can hold the highest environmental standards and social equity impact.

On Fri, Nov 19, 2021 at 11:47 AM Sebastian Medina-Tayac <smtayac@gmail.com> wrote:

To Whom It May Concern,

Please find my written testimony for today's hearing below:

My name is Sebastian Medina-Tayac. I'm the Marketing Manager and Editorial Director for Eaton Workshop, a global purpose-driven hospitality brand headquartered at 1201 K St. NW. Between our lifestyle hotel, coworking space, radio station, live music venues, wellness center, and devotion to the local community and progressive causes, I recognize many people on this call as friends, patrons and guests of Eaton.

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Sincerely,

--

Sebi Medina-Tayac
240-281-0268
smtayac@gmail.com

--

Sebi Medina-Tayac
240-281-0268
smtayac@gmail.com



November 16, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business
And Economic Development
The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Dear Chairman Mendelson and Chairman McDuffie:

I am Linda Mercado Greene, Owner and CEO, of Anacostia Organics, the first medical cannabis dispensary to open East of the River, located in Historic Anacostia. I am also the Chair of the DC Cannabis Trade Association, a Board Member of the US Cannabis Council and Chairing the Diversity, Equity, and Inclusion Task Force in that capacity, the Host of Cannabis Conversations Podcast found on DCRadio and other streaming services, serving my 2nd term as a Mayoral appointee on the Historic Preservation Review Board, a member of the Executive Committee of the Anacostia BID, and a resident of the District of Columbia for 49 years, residing in every ward but 5 and 7 with Historic Anacostia being my home for the past almost 22 years.

Today, I am speaking as a DC legally licensed cannabis dispensary owner, Anacostia Organics, who hires DC residents with the majority living in the community for which we serve. I was awarded my license in July 2018 and opened our doors for business January 2019. My written testimony below states the reasons for my support for B24-113, the Medical Cannabis Amendment Act of 2021. I am also speaking as a patient.

With my dispensary being in Ward 8, my patient clientele is varied, but most come from the community of Ward 8. I spent 3 years educating my community, mostly at events in my home for my monthly "Conversations at Linda's" on the benefits of cannabis vs. street drugs. When I decided to seek a license, I took data to the Mayor and the Council showing that 25% of the medical marijuana cardholders in DC were from Wards 7 and 8. These DC residents East of the River, the most economically deprived wards in our city, didn't have access to their medications without having to travel to other areas of the city, occurring additional costs. I requested emergency legislation for the Department of Health to reopen the licensing process to award at least one license in Ward 7 or 8, which passed unanimously. Our great city of the District of Columbia had "unintentionally discriminated against longtime Washington residents, minorities, and those with the least amount of income. I had the support of Ward 8, many of the churches,

ANCs, and other organizations in my community. The entire community was invited to the Ribbon Cutting Ceremony which was a full day event. The community and leadership turnout were beyond my belief.

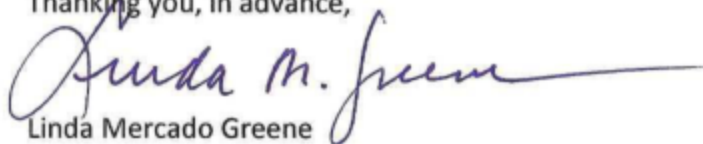
After a year of operating, we entered a pandemic putting my community out of work, and having to find economic means to survive, not to mention the high rate of Covid deaths we encountered. During the time they really needed their medications, many could not renew their medical cards due to lack of funds to (1) get a medical referral, (2) not being able to pay ABRA's fees, (3) not having access to the internet and computers, and (4) the abundance of street drugs through illegal businesses. This option became much more attractive by just paying for the product and no sales tax, no registration fees, no doctor's fees. Those of us legally licensed by the District of Columbia to provide safe, quality, lab tested cannabis medications to our citizens have lost more than 50% of our business during this time.

These financial barriers created by our government to simply get cannabis medication is "unintended discrimination" against those who have little and rewards those who have much. This must change! Patients should be able to get a telemedicine appointment with any medical professional in DC, bring that referral directly to the licensed medical cannabis dispensary to get their medications immediately, just as they go straight to CVS, Walgreens, or other pharmacies to get opioids and other medications prescribed by their doctor.

Thus, I am asking you to vote affirmative for the Medical Cannabis Amendment Act of 2021, so we can have a healthy city, a safe city; for, as the capitol of the United States, we are also the capitol of the world with every country having an Embassy here. All eyes are on us and our medical cannabis program, and soon to be, recreational program.

I am also in support of returning citizens who are residents of the District of Columbia be given priority to the new licenses which will be granted soon. I know they will get CBE advantage points; however, I strongly believe these licenses should be solely set aside for those who have wrongfully been jailed with their lives being destroyed for the possession of a plant which has been around for thousands of years. Let us show America the District of Columbia's resolve to level the playing field in the cannabis industry.

Thanking you, in advance,

A handwritten signature in blue ink, appearing to read "Linda M. Greene", with a long horizontal flourish extending to the right.

Linda Mercado Greene

Owner/CEO Anacostia Organics



November 19, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business and Economic
Development
John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Greetings Chairman Mendelson and Chairman McDuffie,

I am Yvette Alexander with Y. Alexander & Associates representing the position of the District of Columbia Cannabis Trade Association (DCCTA), Linda Mercado Greene, Chair of the Board. The DCCTA was formed to advocate for improved access for patients in our city's Medical Marijuana program. The members represent licensed medical marijuana cultivation centers and dispensaries in Washington, DC, a medical market with the most diverse group of owners in the country, even in the absence of a formal social equity program. 36% of the licensees are minorities, 36% are women, and 81% are local to the District of Columbia.

Currently, the medical program has under 6000 patients, which represents an almost fifty percent decline since the inception of the Covid 19 pandemic. The medical market is in danger of extinction, and while the legislation introduced on November 2nd and recent provisions from ABRA will provide some potential temporary relief, it is a band aid and it will not stop the collapse of the legal market. We look forward to continuing to work with the Council, Mayor Bowser and ABRA to increase patient enrollment and grow our medical marketplace, and our testimony consists of recommendations to accomplish this goal.

The DCCTA would like to express their support for B24-113, The Medical Cannabis Amendment Act of 2021. The introduction of this measure clearly demonstrates the Council's continued support to ensure patients rights to access medical cannabis and the addition of several important amendments would further help the city and support the continued success of the medical cannabis program.

- 1) A comprehensive approach to expanding the DC medical market is imperative – we recommend beginning this approach by repealing ABRA registration for patients and physicians. The current requirements are time consuming, burdensome, outdated and expensive. As a result, the illegal market is roughly 17x the size of the medical market - \$600m annually vs \$35m. Repealing ABRA registration relies on the professional relationship between patient and licensed healthcare professional to allow purchase at a dispensary with only a recommendation and government issued



ID, and would make it significantly easier for patients to remain in the legal regulated market. Dispensaries would provide ABRA with the patient information collected at intake, and the customers would be tracked through METRC with their government issued ID number, similar to how we track out of state licenses with their home-state medical card numbers, which differ in format and length from state to state.

- 2) A second priority for this bill is civil enforcement for illegal businesses operating under the incorrect claim of being “i71 compliant”. As Council is well aware, there has been gross misinterpretation pertaining to Initiative 71, which does not provide for any type of cannabis business. The intention of i71 was to allow DC residents to grow, consume, and share small quantities of cannabis within their own home. The current illegal market is misrepresenting these permissions and it has resulted in an estimated illegal market of \$600m, largely selling cannabis procured from out of state. The recommendation is to impose civil infractions, first introduced by Chairman Mendelson’s office on 10/28/2021, targeting illegal business operations and their landlords. It’s important to note that these actions would not send any individuals to jail, would only result in fines and the revocation of basic business licenses, and would not prohibit these illegal business owners from applying for a medical or recreational cannabis license through ABRA in the future.
- 3) A third recommendation for this bill is to add an amendment granting the legal medical operators the ability to deduct ordinary and necessary business expenses on their District of Columbia tax return, effective for 2021 tax filings. Federal tax code 280E does not provide for tax deductions other than cost of goods sold, even in states with legal medical or recreational programs. California, Oregon, and Colorado have begun providing these deductions at a state and local level for their legal licensed operators in recent years.
- 4) Finally, this bill would provide an additional 8 dispensary licenses, and ABRA’s 3rd Emergency Rulemaking issued November 10, 2021 would provide for an additional 6 cultivation licenses. We would like to recommend that a market study is performed by ABRA to determine increased demand before these licenses are made open for application.

Sincerely,

Yvette Alexander, Y. Alexander & Associates for
Linda Mercado Greene, President, District of Columbia Cannabis Trade Association



November 19, 2021

The Honorable Chairman Mendelson
and Members of the Council for the District of Columbia
1350 Pennsylvania Avenue NW, Suite 504
Washington DC 20004

**RE: Bill 24-113, Medical Cannabis Amendment Act of 2021
Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021**

Dear Honorable Chairmen Mendelson, McDuffie, Allen and Members of the Council:

The DC Democratic Caucus for Returning Citizens (Caucus) is here today to share its thoughts on the current bills regarding medical and recreational cannabis before this governing body as well as the Cannabis Industry (Industry) as a whole here in the District of Columbia (District).

First, as is customary with the Caucus, we would like to point out the significant role Returning Citizens have played in the District's community and government affairs earning well deserved accolades in every facet. Importantly, the Caucus has been privileged to be able to expound on the subject of Cannabis from a perspective of direct impact in light of the disastrous and racist War on Drugs. Thus, the Caucus believes it has a duty to highlight instances of fundamental unfairness and lend its awareness to the inequities in the Industry.

The Industry is dominated by white men with finance backgrounds who have disingenuously created a financial moat that is insurmountable to overcome as it relates to men and women directly impacted by the racist War on Drugs.¹ Only 2% of the cannabis businesses in the Industry are owned and operated by blacks. The difficulties associated with the costs of starting a cannabis business illuminates the hypocrisy: whites profiting while black and brown people suffer in an unjust penal system. The Caucus believes that a diverse Industry here in the District is healthy and beneficial for all parties as this nascent Industry continues to take hold.

While the Caucus acknowledges that the District is behind the curve of legalization because of forces beyond its control, however, these impediments cannot act as an excuse to lessen the focus on intentionality as it relates to a Social Equity Program in the District's future adult use program. New York, New Jersey and Virginia all have passed progressive legislation that puts

¹ https://grownin.com/2021/10/28/analysis-publicly-traded-cannabis-company-board-members-largely-hail-from-finance-and-law-sectors/?vgo_ee=Rjy%2FSHhOkeGV7hHCN03AvtSYFmrMikCwIKFARSZoYA0%3D

Social Equity front and center. New Jersey allows men and women with prior cannabis convictions whether State or Federal to participate in its adult use program. New York gives its SEP Participants with prior cannabis convictions extra priority. The adult use bill here in the District limits participation of those with prior cannabis convictions to cannabis convictions that are expungable under the Act not taking into consideration that a Native Washingtonian may have a federal cannabis conviction or conviction from another state

The Caucus further believes that the funding apparatus written into Bill 24-118 lacks the intentionality necessary to achieve the mandate of successfully creating at least 50% of cannabis businesses owned and operated by SEP Participants. New York, Virginia and Connecticut have created loan funds that will enable their SEP Participants to have a chance at success. In particular New York amended its Urban Development law to allow for cannabis loans which reads:

§ 59. Section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new section 16-ee to read as follows:

§ 16-ee. Loans to social and economic equity applicants. The corporation is authorized, on the recommendation of the state cannabis control board, to provide low interest or zero-interest loans to qualified social and economic equity applicants and to provide funds necessary for the provision of such loans, as provided for in article four of the cannabis law.

S854(A) §§ 59 (emphasis added).

The District should follow New York's lead and allow the DC Department of Small and Local Business Development (DSLBD) to provide low interest and zero-interest loans. In other words, fully fund the DSLBD so these loans are readily available. The funding apparatus currently in B24-118 which calls for using monies from licensing fees etc will not suffice. The Caucus reiterates that Returning Citizens pay an ample share of taxes here in the District and deserve a fully funded DSLBD with a minimum of \$50 million to combat the mythical belief that Returning Citizens need \$1 million to set up a cannabis business in the District. Also, the Caucus Believes that the Commercial Property Acquisition Fund through the Office of the Deputy Mayor for Planning and Economic Development (DMPED) should be made available to SEP Participants.

In regards to B24-113, the District should set aside 4-6 licenses for Returning Citizens. More importantly, the District should allot 60 points to Returning Citizens with marijuana convictions regardless of whether they are a medical certified business enterprise to address the hypocrisy associated with cannabis convictions. A loan fund of \$20 million to \$30 million made available to Returning Citizens who intend to pursue a medical cannabis license, including access to DMPED's Commercial Property Acquisition Fund.

For the sake of time, the Caucus requests that it be given the opportunity to help shape the adult use program here in the District. Oftentimes, men and women directly impacted by the tragic War on Drugs do not have a seat and voice at the table regarding the laws that affect their lives and communities.

In conclusion, the Caucus believes the District would perpetuate the hypocrisy by allowing current medical cannabis dispensaries to apply for adult use licenses at the same time as SEP Participants in any future adult use cannabis program, without having a prior cannabis conviction. In other words, no grandfathering, without cannabis convictions. The Caucus believes the District should allow SEP Participants exclusive access to the application process for the first 6-12 months, especially those with prior cannabis convictions. The Caucus would like to thank the Council for having this hearing and we look forward to any questions that the Council may have.

Respectfully,
Eric Spencer, Secretary
DC Caucus for Returning Citizens

Good Morning D.C.Council:

I Testified On November 19, 2021, Regarding The Medical Cannabis Amendment.

On January 8, 2020, My Daughter Ingested A Tainted Bottle Of Jackson's Courage CBD Oil From Takoma Wellness Which Caused Her To Stop Breathing, Sent Her Into Respiratory Arrest, Followed By A Seizure Which Almost Took Her Life.

She Was Placed In ICU At Georgetown University For 6 Days. Unaware That WDC Doesn't Test Their Medical Cannabis Products Nor Has A Lab Facility In Our Nations Capital, I Travelled To Massachusetts Where A 3rd Party Lab Test Of The CBD Oil Was Performed Which Revealed That Her Bottle Was Indeed Contaminated With Pipernoyl Butoxide "PBO".

Zoey's Exposure To PBO Was In The Height Of COVID And She Suffered Tremendously From The Exposure. In June Of 2021, I Took The Same Bottle To Oregon That Also Has A 3rd Party Lab Site To Get A Second Opinion Of Jackson's Courage After Being Stalked, Harassed, And Threatened By Holistic Industries Representative And Mother Of Jackson's Courage, Lisa Leyden. The Results From Oregon, Were Repetitive From The Results In Massachusetts, POSITIVE FOR PBO.

I Am Speaking On Behalf Of My Daughter, And The WDC Cannabis Community In Its Entirety That I Find It Egregious That WDC Doesn't Have Any Layers Of Protection For The Very Same Patients That This "Medical Cannabis Program" Was Originally Designed For. It Is A Travesty That What You Consider "Black Market" Or "Gray Area", Are No Different Than Dispensary Owners In Respect To Providing Clean Safe Medicine.

The Difference Between "Black Market" And "Licensed Dispensary Owners"

1. Black Market- Will Right Their Wrongs If The Customer Isn't Satisfied With The Product -vs- Licensed Dispensary Owner, Disparaging The Near Death Experience A Patient Experienced After Consuming Their Product.
2. Black Market- Doesn't Want A Bad Reputation For Selling Unsafe, Clean Meds -vs- Licensed Dispensary Owners Harassing Little Black Epileptic Girls With Micro Aggressive Bigotry, Threats, And On-line Stalking.
3. Black Market Has Experience In Cultivation And Processing Cannabis -vs- Licensed Dispensary Owners Who Will Boldly State They Have NEVER Grown With PBO In 10 Years. The Reckless Statement That Holds No Validity Simply Because WDC Has NO LABS To Test Proves Entitlement Over Scientific Double Tested FACTS. *see attachment from CEO, Josh Genderson Of Holistic Industries False Claim To NEVER Growing With PBO*

The Only Difference Between "Black Market" vs "Licensed Dispensary" Is That They Can Sell Tainted Meds In A Building Under A City License Whereas "Black Market" Continues To Be Punished And Shunned For The Very Same Thing That Has Led To Arrest, Incarceration, And Unjust Search And Seizure.

Prior To My Daughter Being FORCED Into WDC Unregulated, Lack Of Testing, Medical Cannabis Program She Medicated With Her Personal Home Grow For 3 Years, And From 2 Hemp Farmers Prior To That. It Took Only 3 Months Into WDC "Medical Cannabis Program" That My Child Fell Victim To The Lack Of Oversight As It Pertains To Her Being A "Medical Cannabis Patient". Adding Insult To Injury As We Tried To Gain Homeostasis After Her Horrific Incident, Harassment From CPS Because "PBO" Has The

Molecular And Chemical Structure Of "ECSTACY", Disparaging From WDC After The Incident Was Reported To EVERY Government Official, And Micro Aggressive Bigotry, Threats, Stalking From The Creators Of The Very Same Product That Landed My Child In ICU For 6 Days.

From My First-Hand Experience Of WDC "Medical Cannabis Program", And How WDC Disparages How Black Children Are Harmed By Untested Medical Cannabis Product, My Child Would've Stood A Better Chance Obtaining Her CBD Oil From A Gas Station Opposed To The Glorified Medical Cannabis Dispensaries Here In WDC.

In Closing, I Pray That WDC Will Do Better And Not Close Their Eyes As They Have In The Past To The DANGERS That Exist In the Lack Of Testing Of Medical Cannabis Products.

As For My Child And Myself Who Have Endured Tremendous Pain, Suffering, And Trauma To The Lack Of Ensuring Safe Clean Medicine I Pray That No Other Patient/Child Ever Endures What We Have For Over 1 Year And A Half.

I Once Was Proud To Celebrate The Accomplishments Of My City As It Pertains To The Progressiveness Of Our Medical Cannabis Program, But As Of Lately, I Live In Fear That It Will Take A Incident Similar To The Vape Crisis A Few Years Ago For WDC To Take Testing Serious, Which Is A Travesty Because Why Should Any Human Who Has Found Medical Cannabis A Safer And Cleaner Alternative To Prescription Drugs Now Fall In A Category Of Playing Russian Roulette With Their Lives Due To A Simple BASIC Which Is "TESTING"?

Best Regards

Dawn Lee-Carty, Speak Life

November 19, 2021

Committee of the Whole
Judiciary & Public Safety & Business & Economic Development

RE: Public Hearing, [Bill 24-11](#)
Comprehensive Cannabis Legalization and Regulation Act of 2021
Presented Testimony of Pamela Wexler

Good morning Chairman Mendelson, Councilmembers and fellow zoomers.

My name is Pamela Wexler. I am an attorney and educator and have been a resident of the District of Columbia for more than thirty years. I recently joined the faculty of the University of Maryland School of Pharmacy where I teach Cannabis Law and Policy in the Medical Cannabis Science and Therapeutics MS degree program.

As removal of the Harris Rider came into view, I was asked by a few stakeholders to assist with improving what was on the table, presumably because the proposals are silent as to some critical elements, and, introduced more than 18 months ago and drafted even earlier, parts may not reflect the best or most current learning going on around the country.

In that regard, I have submitted comments in the form of a markup to the Chairman's bill but with my short time today, I'd like focus on social equity licensing because it impacts the threshold challenge every jurisdiction is facing -- does our approach appropriately incentivize transition of the legacy market? The consequences are apparent: California estimates upwards of 80% of its market remains outside the licensing system, whereas Colorado which believes it has virtually eradicated unlicensed sales, collected \$350 million in taxes in 2019.

And here is where I would like to return to the learning.

Elaborate efforts to ensure meaningful participation by a small subset of directly harmed individuals largely have fallen flat, the subject of litigation and delay. Even in places where social equity schemes have been implemented, they have not led to meaningful or representative participation.

What we are learning is that transitioning legacy operations to the legal market is about more than the mere issuance of licenses.

We are here as a result of legalization.

To reverse a prohibition that should never have happened.

And repairing the harm cannot be measured in a license, it needs to be measured with sustainable generational wealth, retained by those individuals and in that community.

Nowhere are these questions more important than in DC where I71 has led to a fully operational unlicensed market, composed largely of local residents, many of whom would presumably qualify as social equity applicants.

Dear Chairman Mendelson, Councilmember McDuffie, Councilmember Allen and Members of the Committees of the Whole, on Business and Economic Development, and the Judiciary and Public Safety:

Thank you for holding this hearing on much-needed cannabis reform legislation.

My name is Pete Muldoon, I am a 21 year resident of Washington DC, a professional musician who has worked in DC for 20 years, an adjunct professor at the University of the District of Columbia, the CEO of a DC based CBD business (Muldoon Hemp), a member of the National Latino Farmers and Ranchers Trade Association, and a farmer on a small farm in Virginia in the highlands of Appalachia.

This is my written submission of my testimony.

1) We need lots of licences. This economic opportunity should be accessible to all dc residents especially lower income residents. If the licences are too few, too expensive and too restrictive the black market will thrive and there is little anyone will be able to do to stop it. Even if you close all the current 171 underground dispensaries in one day, the very next day there will be a black market replacement. California is such an example as there is 4 to 10 times more black market cannabis than white due to their restrictive licences. The only way to compete with the black market is to allow black market dealers to join the white market and make this an economic opportunity for the lower income population of Washington DC. We need a free market to make this equitable.

2) People with money don't grow better weed. People who care about cannabis grow better weed. I know many growers that are lower income that produce better, organice, regenerative marijuana while many medical growers are using salts, pesticides and synthetic fertilizers. Even a lot of the ilegal weed we get from the west is of a better quality than local medical. All cannabis should be tested. We need local testing.

3) We need onsite consumption. This would bring an incredible amount of tourism and economy and put us on the cutting edge of cannabis in the United States. I belive this would be a major drive for the DC economy and there is enough room for licences as their are alcohol licences. Marijuana does not impair users to the degree alcohol does and also does not cause the aggression alcohol does. It would energize music and arts as we could have live music venues where people could smoke. The audience would be much more calm and relaxed and it would bring more money to dc musicians. As marijuana and music have always been connected.

4) Once marijuana is federally legalized, give priority to small farmers and producers from Virginia and Maryland to supply cannabis retailers in the District. Soon outdoor cultivation will outcompete indoor for economic and environmental reasons, as well as advancements in genetics and outdoor regenerative cultivation methods. Due to limited land available for cannabis cultivation in Washington, DC, it is likely that local growers will not be able to meet the demand for cannabis consumption in the city. Given DC's economic and cultural ties to Virginia and Maryland, the District should source cannabis from its neighbouring states. This "local source"

provision would also allow DC residents to grow outside the city limits. In order to prevent corporations from overtaking the market, DC Council should limit preferential sourcing to small-scale farmers and manufacturers.

Thank you for your consideration.

Pete Muldoon

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November 19, 2021

Bill 24-118

**Testimony from Olivia Naugle, legislative analyst, MPP, in support of Bill 118,
Comprehensive Cannabis Legalization and Regulation Act of 2021**

Dear Chairman Mendelson and D.C. Councilmembers,

My name is Olivia Naugle, and I am a legislative analyst for the Marijuana Policy Project (MPP), the largest cannabis policy reform organization in the United States. I am also a Ward 3 D.C. resident.

MPP has been working to improve cannabis policy for more than 25 years. As a national organization, we have expertise gained by working in different states and territories. MPP has played a leading role in most of the major cannabis policy reforms since 2000, including passing more than a dozen medical cannabis laws and legalizing marijuana by voter initiative in Colorado, Alaska, Maine, Massachusetts, Nevada, Michigan, South Dakota, and Montana. MPP's team also spearheaded the campaigns that resulted in Vermont and Illinois becoming the first two states to legalize marijuana legislatively, and we played an important role in the Connecticut legalization effort.

The Marijuana Policy Project strongly supports legalizing and regulating cannabis for adults 21 and older, while doing so in a way that repairs the damage inflicted by criminalization. That includes expungement of past cannabis convictions, provisions to ensure diversity and social equity in the industry, and reinvestment in communities hard-hit by the war on cannabis.

MPP supports the Comprehensive Cannabis Legalization and Regulation Act of 2021. This legislation would establish a regulatory scheme for the licensing, production, and retail sale of adult-use cannabis in the District and allow for automatic expungement of D.C. Code cannabis-related arrests and convictions. Importantly, it includes provisions to ensure that there is diversity in the industry and that individuals and communities that have been disproportionately impacted by prohibition have the opportunity and means to participate in and benefit from the legal cannabis industry.

Although D.C. residents overwhelmingly approved Initiative 71 in 2014 to legalize cannabis cultivation and possession, Congress has been able to block the District from taxing and regulating marijuana sales via the "Harris rider."

However, the Senate Appropriations Committee has omitted the Harris rider in its appropriations legislation this year. The House appropriations legislation approved over the summer also did not include the provision. The fact that it's not in either version of the bill greatly increases the chances that the District of Columbia will be able to allow cannabis commerce by the end of this year if Congress completes the appropriations process.

We ask that the Council support the Comprehensive Cannabis Legalization and Regulation Act of 2021 in anticipation that there will be no congressional interference preventing D.C. from regulating and taxing adult-use cannabis sales. I am here today to speak in support of the bill, to offer some suggestions to improve the bill, to discuss the positive impacts this policy change will have, and to encourage the Council to move forward with this important reform.

Regulation will boost public health and public safety

Due to Congressional interference, the District of Columbia is the only U.S. jurisdiction that has legalized possession and cultivation of cannabis without enacting legislation to regulate its production and sale.

The lack of any lawful place to purchase non-medical cannabis has led to a proliferation of “grey market” operators and a significant increase in arrests for the distribution of cannabis, which have returned to pre-legalization levels. A lack of regulation also ensures cannabis products are untested, increasing the risk of contamination with illicit pesticides, heavy metals, dangerous molds, hazardous thickening agents, or even other drugs. Only with regulation can the government control where, when, and to whom cannabis is sold. Only with regulation can the government ensure testing and labeling of cannabis products. A regulated market also offers important protections to workers, from health and safety regulations to unemployment insurance and social security, and all the advantages of working in a legal industry instead of a “grey market.”

The Comprehensive Cannabis Legalization and Regulation Act of 2021 would establish a regulatory framework for adult-use cannabis in the District. It would provide important public safety measures, such as requiring that all cannabis and cannabis products must be packaged in a child-resistant container and be labeled to include net contents, the level (in percentages) of THC and CBD in the product, instructions for usage, a list of ingredients and possible allergens, and a nutrition fact panel.

Taxing and regulating cannabis in D.C. will create a new source of revenue and good jobs

Under D.C.’s current cannabis policy — which has been imposed by the federal government — the District is losing out on millions of dollars in tax revenue and good jobs. It should be prepared to rectify that as soon as Congress stops standing in the way.

In 2020, Colorado collected more than \$387 million in taxes from cannabis businesses. As of June 2020, 41,144 individuals held licenses to work directly in Colorado’s cannabis businesses.¹

Cannabis tax revenue has been used to fund numerous programs improving the lives and health of the state’s residents. Colorado devotes much of its cannabis tax revenue to school construction, and state education officials have used marijuana taxes to give \$6 million dollars to

¹ Colorado Marijuana Enforcement Division, available at <https://www.colorado.gov/pacific/enforcement/med-resources-and-statistics>.

71 schools since 2016 to fund anti-bullying education.² Meanwhile, in 2018, Washington used \$262 million of its cannabis tax revenue to help pay for its share of Medicaid, which insures nearly 1.8 million low-income Washington residents. It also allocated more than \$5 million in a biennium to provide beds for youth residential treatment services and address substance use disorders.³

The Comprehensive Cannabis Legalization and Regulation Act of 2021 would allocate fifty percent of tax revenues from the sale of cannabis into a Community Reinvestment Program Fund. The fund will be used to provide grants to organizations addressing issues such as economic development, homeless prevention services, support for returning citizens, and civil legal aid in areas with high poverty, unemployment, and gun violence.

Regulations should provide ample opportunity and low barriers to entry in the legal industry

This legislation currently kicks most of the licensing of adult-use cannabis businesses to regulators and provides that the board may impose caps on the number of licenses for each license type. MPP supports a free-market approach to licensing and suggests that most licensing categories — especially small growers, processors, and delivery — be uncapped to maximize participation and opportunity in the industry.

Most legalization laws that passed by initiative do not include numerical caps. And, in New Jersey, microbusinesses of *all license types* have no numerical caps.

If licenses are capped, it is unclear how “winners” will be chosen. If caps will be included or allowed for some license types, we recommend avoiding a scored process. “Merit-based,” scored systems often require successful applicants to spend upwards of \$100,000 (and sometimes up to \$1 million) to craft a winning application. This is at odds with the commitment to equity and can result in viable applicants squandering their life savings and ending up with nothing.

Instead, for any capped license types, the bill could have a lottery, as is the case in Connecticut’s law (SB 1202, passed in special session 2021). Then, half of the licenses can be reserved for social equity applicants, and/or social equity applicants could be licensed in advance of other applicants. If a lottery is used, those granted provisional approval should have a set amount of time to secure a property and come into compliance with all regulations. If they do not get a permanent license by a set date, the opportunity should go to the next person who would have been approved in the lottery. Another option would be a “qualified lottery,” where any applicant who meets minimal requirements — which should not be costly to comply with — would be entered into a lottery.

We strongly urge the Council and regulators to work to incorporate the “grey market” into the legal, regulated industry. D.C. has licensed far too few medical cannabis licenses for its

² Alexander Lekhtman, “Colorado Marijuana Money Funds Cleaner Highways And Anti-Bullying Programs,” *Marijuana Moment*, February 18, 2020. Available at <https://www.marijuanamoment.net/colorado-marijuana-money-funds-cleaner-highways-and-anti-bullying-programs/>.

³ Jake Whittenberg, “Where does Washington’s marijuana tax money go?,” *King 5 News*, August 8, 2018.

population. If it makes the same mistake with adult-use licensing, it can expect the illicit market to continue to flourish — and with it, the risk of violence, lack of testing and labeling, and arrests and associated trauma.

There should be no tax on medical cannabis

We recommend excluding the current 6% tax on medical cannabis that this legislation proposes. Seriously ill medical cannabis patients should not be subject to a sales tax on their medicine. This tax could also prevent patients from participating in the medical cannabis program.

Conclusion

It is long overdue that D.C. residents have access to safe, regulated cannabis. Thank you to Chair Mendelson for introducing this important legislation, which would finally allow adult-use cannabis to be regulated, sold, and taxed in the District. This legislation will boost public health and public safety in D.C. and begin to repair the past harms cannabis prohibition has caused by reinvesting in those communities and providing opportunity in the legal cannabis industry.

I respectfully urge the Council to consider our suggested changes and support this legislation, so that D.C. can establish a regulated market once there is no congressional interference.

If you have any questions or need additional information, I would be happy to help and can be reached at the email address or phone number below.

Sincerely,

Olivia Naugle
Legislative Analyst
Marijuana Policy Project
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November 19, 2021

Chairman Mendelson and Committee of the Whole:

Thank you for the opportunity to discuss medical and adult use cannabis policy in Washington, D.C. My name is Courtney Davis and I serve as the Executive Director for Marijuana Matters, a social enterprise that works to make social equity the cornerstone of the legalized cannabis industry. In doing so we address one of the biggest challenges facing the industry - righting the wrongs of the failed war on drugs policies.

Marijuana Matters believes that the key to creating a viable and equitable cannabis industry is to center those most harmed by the criminalization of the plant. Our vision is to **repair what's been dismantled, restore what's been destroyed, and reclaim what's been displaced.**

The council should consider using funds that are currently allocated for the general fund to support cannabis consumer education. Despite all the media and cultural focus on cannabis as an adult use drug, consumer drivers are still very much wellness and medical focused and consumers are still looking for basic cannabis education.

As we look towards an adult use market, we urge the council to consider ways to protect current medical patients by ensuring that access and affordability to their medication will not be impacted. One way to create informed policy around this issue is to support policies that fund community based research. like health impact assessments, to address health and racial inequities that drive health disparities.

We also see the need for the inclusion of local cannabis experts and regulatory specialists to help shape an industry that does no more harm. There are a wealth of

resources right here in the District and now is the time to reach out and invite those individuals and organizations to the table.

Our organization created a social equity toolkit that provides guiding principles that communities, policymakers, and businesses can use as they strive to draft cannabis regulations that address social justice, community reinvestment and improved economic conditions for individuals and communities most impacted by the failed war on drug policies. Among many things, the toolkit includes recommendations on ways to structure tiered licenses and include exclusivity periods for minority entrepreneurs. We also have research on worker owned cooperatives and limited cooperative associations which have proven to be successful in creating equity in other agriculture related industries.

In 2021 we launched our inaugural bootcamp which includes participants from DC who have faced barrier access to financing and commercial workspace kitchens. We've been able to leverage resources to secure financial and in kind support to build the capacity of DC based minority cannabis entrepreneurs like The High Priestess Herbal Wellness + CBD and Reset Wellness. Our organization is committed to finding ways to protect and support the current black businesses operating in this space while also creating a pathway for those in the legacy space by offering funding, compliance training.

Thank you again for the opportunity to speak and I look forward to continuing the conversation on how to best solve one of the major challenges facing the cannabis industry - repairing the harm from the war on drugs.

Courtney Davis
Executive Director
Marijuana Matters



A Guide To Social Equity



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ACKNOWLEDGMENTS

This toolkit is dedicated to the millions of Black and Brown lives that have been forever changed by the decades-long failed war on drugs policy, especially those who remain incarcerated. Significant racial bias continues to play a role in marijuana-related arrests and convictions. As the nation shifts policy towards ending marijuana prohibition we must prioritize restorative justice for those most harmed by its criminalization.

Special thanks and accolades are due to Doni Crawford with DC Fiscal Policy, Rafi Crockett, Courtney Davis, Social Innovation and Change Initiative at HKS, Harvard's Institute of Politics Dubin Fellowship, District of Columbia Council staff, and a host of behind the scenes volunteers that have spent countless hours contributing to this guide.

THANK YOU to the supporters and donors to Marijuana Matters.

Primary Author and Researcher: Khadijah Tribble, Founder of Marijuana Matters and Marijuana Policy Trust.

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EXECUTIVE SUMMARY

Why is this Toolkit necessary?

Social equity is a buzz-phrase heard throughout the cannabis community. But what does it truly mean? How do we measure social equity? This toolkit provides guiding principles that communities, policymakers, and businesses can use as they strive to draft cannabis regulations that create equity in marketplace access, revenue generation, and improved economic conditions for individuals and communities most impacted by the failed war on drugs policies.

We understand and value the complexities and differences that make each community unique. This toolkit should be used as a road map to solve one of the major challenges facing the cannabis industry - repairing the harm from the war on drugs. This challenge is our opportunity to make a positive impact in our communities. The more expansive and inclusive these policies are, the more far-reaching and long-lasting the results.

What is social equity?

This toolkit defines social equity as **the equitable distribution of resources and services by all public-serving institutions to promote and ensure fair and equitable access to opportunities and outcomes for individuals from and in communities historically and disproportionately impacted by the war on drugs.**

Why social equity in cannabis?

The war on drugs, officially declared in the 1970's, is a phrase used to describe government-promoted policies that led to harsh racially disparate sentencing, and decimated communities of color. Coupled with politically motivated policies and unequal policing, the war on drugs can be characterized as part of systematic racism which most certainly hit Black Americans the hardest.

Specific to cannabis, according to the ACLU, Black Americans are four times more likely than white Americans to be arrested for marijuana possession despite equal usage rates. Marijuana prohibition in Black communities led to a laundry list of collateral consequences including but not limited to education gaps, evictions, felony disenfranchisement, and employment restrictions. While many of these policies and regulations are still intact, policies to create a legal cannabis market are showing up in waves across the country. Ironically, Black Americans have been largely excluded from the benefits of the legalization movement anecdotally known as the "green rush."

As new cannabis policies are created, we must identify and eliminate participation barriers. Social equity work must also include the reorientation of harmful drug policies and prevention of more disparities in America's criminal justice system.

Why is social equity good for the community?

There is no shortage of statistics to show marijuana's startling contributions to the US economy. Investors are pouring in billions of dollars into the cannabis industry yearly and there is no end in sight. Access to marijuana is becoming the new normal. Meanwhile, the distressed communities and neighborhoods that were ravaged by the war on drugs are struggling to rebuild and remain some of the poorest zip codes in the nation.

Marijuana legalization is a racial justice issue. Communities that have been marginalized by marijuana prohibition now have the opportunity to benefit economically from cannabis legalization sales and those funds should be reinvested to fit the community's needs. A

Community Benefits Agreement is one way for a community to strategically address disparities like income inequalities and a dearth of economic opportunities.

Why is social equity good for public institutions?

Many public institutions are embracing the value of placing equity at the center of policymaking. Cannabis policy is no different. By prioritizing social equity when creating legal cannabis policies, regulators and policymakers are able to address the historic consequences of the criminalization of cannabis and repair them with intention.

To create true sustainability within the legal cannabis industry, policymakers must make a commitment to social equity and inclusion.

Why is social equity good for your bottom line?

Social equity is corporate responsibility for the cannabis industry. Becoming a socially conscious business is an opportunity to market your company and increase brand differentiation. Also, statistics show that employees respond positively to working for a company that has a social mission. Businesses of all sizes are engaging in these practices now considered as the cost of doing business. Even large companies like Coca Cola are engaging in corporate responsibility by pledging to engage in sustainable water practices.

The cannabis industry working in alignment with and dedicating important resources and expertise to communities over the long term will begin to achieve the outcomes of a social equity framework.

In summary, government, community, and private industry bear responsibility in creating an industry that does no harm. This toolkit includes recommendations on ways to start the conversation towards building a sustainable and equitable legal cannabis industry. We will leave you with Marijuana Matter's vision: **repair what's been dismantled, restore what's been destroyed, and reclaim what's been displaced.**

KEY CONCEPTS AND DEFINITIONS

Community Benefits Agreement (CBAs) are strategic vehicles for community improvement, while benefiting private sector developers and both state and local governments. They are not zero-sum instruments. They are legal agreements between community benefit groups and developers, stipulating the benefits a developer agrees to fund or furnish, in exchange for community support of a project. Benefits can include commitments to hire directly from a community, contributions to economic trust funds, local workforce training guarantees and more.

Outcomes vs Opportunities. Outcomes are the result of something, the finish line if you will, while opportunities are akin to the starting line. Equity opportunities ensure that the participant has access to the starting line; equity of outcomes ensures that participants finish on par with others. Think handicap in golf, by measuring strokes of individual players against the slope of the course... you get a score by which to judge the outcome more fairly. This is what we are after in cannabis.

Community can be defined in a variety of ways. Here are a few ways to consider community:

- Geographic approaches (e.g. people living within a specific area of the proposed facility)
- End-users of a cannabis and cannabis related product (accessories, computer application)
- Representatives of impacted groups (usually activist and advocate groups)
- Disadvantaged and equity-seeking individuals and groups
- Any and every individual or group that may be impacted by the project

Marginalized communities are communities confined to the lower or peripheral edge of the society. Such a group is denied involvement in mainstream economic, political, cultural and social activities due to their living conditions, lifestyles or exclusion.

Disproportionate impact occurs when a statute or policy affects one race or ethnicity more so than other races or ethnicities.

Corporate Social Responsibility is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public.

Health Impact Assessment is a means of assessing the health impacts of policies, plans and projects in diverse economic sectors using quantitative, qualitative and participatory techniques.

Community Based Organizations (CBOs) are public or private nonprofit organizations that are representative of a community or a significant segment of a community and work to meet community needs.

Collateral Consequences of criminal charges are the various consequences which are beyond the terms of the conviction under federal and state laws, but not intended by the judge while convicting.

DEFINING SOCIAL EQUITY

When defining social equity, there is no one answer and it may vary depending on the context. However, the origins of the concept of social equity are ancient and built on the premise of justice and fairness. For the purposes of this toolkit, we define social equity as follows:

The equitable distribution of resources and services by all public-serving institutions (Government, NGO, and Corporate entities) to promote and ensure fair and equitable access to opportunities and outcomes for individuals from and in communities historically and disproportionately impacted by the war on drugs.

DEFINING SOCIAL EQUITY FOR DIFFERENT AUDIENCES

A 30-second definition for general audience: Social equity means that everyone, including those with criminal backgrounds, has a fair and just opportunity to participate in the cannabis industry. This requires identifying and removing barriers to patient care, employment, investment, and ownership opportunities. Equity also includes addressing community-level, collateral consequences by providing access to good jobs that lead to careers, quality education and housing, safe environments, and health care.

A 15-second definition for technical audiences: For the purposes of measurement, social equity means reversing the outcomes of marijuana criminalization by eliminating disparities in health, education and income for those impacted groups and eliminating the disparity of arrests and imprisonment.

A 10-second version for general audiences (social equity as a goal or outcome): Social equity means that everyone has the tools and support to create fair and just outcomes in employment, ownership, and access to patient care in cannabis.

A 15-second version for general audiences (social equity as a process): Social equity means asking the question: How does the proposed policy, legislation, or practice benefit or harm communities who have been disproportionately impacted by the war on drugs.

M2 FRAMEWORK FOR EQUITY

Marijuana Matters (M2) works to inform the public about the impact of public policies related to regulating cannabis and cannabis-derived products, with the specific goal of highlighting the disproportionate impact on historically disadvantaged communities and eliminating prejudice and discrimination with respect to a regulated cannabis regime.

Through advocacy, entrepreneurship, and education, M2 identifies and eliminates barriers to economic opportunity in regulated cannabis markets for those disadvantaged by the criminalization of marijuana. Our vision is simple: repair what has been dismantled, restore what has been destroyed, and reclaim what has been displaced.

The M2 guidance document was created to leverage and scale social equity frameworks in regulated cannabis markets. As marijuana legalization has captured the attention of investors, policymakers, and social justice activists, we anticipate that legalization could unlock billions of untapped dollars creating an estimated trillion dollar industry.

GUIDING PRINCIPLES OF SOCIAL EQUITY

More than an academic concept, social equity is a framework and an approach to leveraging the opportunities at the nexus of a regulated cannabis industry. Ultimately, we are connecting social links to create pathways out of poverty. However, not all partnerships - like not all resources - are good. These guiding principles help define the rules of engagement.

- **Center lived experiences:** Any social equity response should be centered around and actively include individuals from communities disproportionately impacted by discriminatory war on drugs policies in all forms of decision making and solution setting. The narratives of historically disadvantaged communities will not be exploited or appropriated by non-members of said community for any priority or preference.
- **Cannabis ecosystem:** By acknowledging that inequities are rooted in systems of oppression that unjustly disadvantage Black Americans, members of the LGBTQIA community, and other minorities, a social equity approach seeks the freedom of Black Americans and other minorities to leverage legalization to increase economic equity. This includes not only licensed and regulated parts of the cannabis industry but the many ancillary and sub-sector spaces as well.
- **Data leveraging:** Both qualitative and quantitative data are absolute necessities in ensuring equity outcomes are met. We cannot determine success if it is not defined and measured. We cannot ensure equity if we don't have the ability to hold all stakeholders to account for their decision making.
- **Resource leveraging:** A commitment to long term allocation, and when necessary re-allocation, of investments and existing resources of government, institutions and companies to address the collateral consequences related to marijuana's criminalization.
- **Equality mindset:** Stakeholders have equal value. Political access and influence must not trump community credibility; and money cannot trump motivation. Stakeholders have equal value and equal accountability.

EQUITY AT A GLANCE

Community

Activists and advocates realize that a thoughtful and intentional community impact proposal can set the stage for lifting thousands of people out of poverty. The M2 equity standards such as minority ownership requirements, living wage ordinances, and targeted education and training requirements are one way to consider how communities can leverage cannabis legalization to mitigate hardships of collateral consequences at the individual and community levels.

Public Institutions

Regulators, legislators and law enforcement are key stakeholders in forming a systemic approach to addressing the harms of the war on drugs. M2 believes that social equity cannot have a positive long-term impact and holistic response without the commitment of public and government entities. Public officials and those working in the interest of the public who interact with or on behalf of a marginalized communities need to incorporate knowledge and understanding of collateral consequences associated with marijuana’s criminalization. In doing so, officials can create and execute the strongest set of public policies to ensure social equity. A crucial component is data collection which allows officials to target the resources to the areas most in need.

Private Sector

The private sector should play an integral role in creating social equity. To crystallize M2’s positions, we believe that cannabis-specific corporations will play an important role in catalyzing collective impact efforts to mitigate the collateral consequences to those who have borne the brunt of the criminalization of an industry that is now dominated by white male founders and CEOs. They must see this as an opportunity to address systemic social challenges that are core to their business models. We agree that not one company, one entity nor one stakeholder group alone can tackle the disproportionate disadvantages minorities face in the cannabis industry. We also know that many of the solutions while complex in nature will emerge as a result of community-specific and community-led initiatives. By working in alignment and dedicating important resources and expertise over the long term the industry can achieve the outcomes of a social equity framework.

| EXPANDING SOCIAL EQUITY ECOSYSTEM | | |
|-----------------------------------|---------------------------|--------------------------|
| Community Sector | Private Sector | Public Sector |
| Housing | Arts, Media, and Fashion | Law Enforcement |
| Religious Institutions | Insurance and Compliance | Legislators |
| Environmental Organizations | Marketing and Advertising | Workforce Development |
| Criminal Justice Reform | Human Resources | Research and Development |
| Public Health | Supply Chain | Regulators |
| Education | Retail and Cultivation | Statistician |

COMMUNITY ACTION STEPS

- **Build the Coalition:** Be broad and inclusive. The impact of cannabis legalization reaches across the spectrum of daily living. Consider including organizations that address issues related to anything from land use to health and from housing to workforce development. Include pro bono legal services, faith communities, and public health experts.
- **Educate the Coalition:** Set up regular meetings (virtual or in-person) to build a foundation of continued learning. It doesn't matter if 5 or 50 people show up, you must be consistent. Create a shared drive using Google or another platform. Identify and invite experts from the community. Seek outside experts as needed. (See M2's social equity speaker's list.)
- **Identify the Priorities:** What is most important to the impacted community and coalition members? Coalition members are not exclusive to impacted communities; therefore, alignment should occur with priorities and messaging.
- **Amplify and Leverage:** Coalition should be strategic about when it uses and leverages its influence and collective power. Applying different pressures before, during and after negotiations is critical.
- **Negotiation:** Coalition members should speak with one voice. Establishing and sticking to non-negotiables on the front end saves a lot of unnecessary infighting on the back end. Negotiation within the coalition is just as crucial as negotiating with industry and government officials.
- **Monitor, Track And Hold Accountable:** To achieve the outcomes of a social equity framework requires involvement at every level. There are many nuances of various ways to achieve some form of social equity.

COMMUNITY ACTION SPOTLIGHT:

Community impact assessments can be complicated and lengthy which doesn't always work well in the cannabis legalization environment when changes can occur on a moment's notice. However, there are a few things that communities should consider. Start by asking these questions: How has the prohibition of marijuana negatively impacted the communities and people who live in it? From criminal justice to public health to public safety, what concerns or issues can be mitigated with a social equity framework for cannabis legalization?

Cannabis Equity Illinois Coalition, Community Benefit Agreement

In 2020, the Cannabis Equity Illinois Coalition signed a legally enforceable Community Benefits Agreement (CBA) with Nature's Care Company. The first in the nation, this CBA provides social equity beyond the state's legalization bill and is designed to align the economic success of the dispensary with the economic success of communities most harmed by the war on drugs in Illinois.

Specific aspects of the agreement include:

- Provide 100% living wage jobs for disproportionately impacted individuals
- Hire 75% of employees from disproportionately impacted areas ("DIAs") within two years
- Donate 10% of net profits of the dispensary to community organizations working in DIAs
- Contract 10% of products and services from minority and social equity businesses
- Create a training and career development program for employees
- Host "know-your-rights" educational events and participate in National Expungement Week

For more information visit: www.cannabisequityil.org

THINGS TO CONSIDER

| METRICS | BAD | BETTER | BEST |
|--|---|--|---|
| <ul style="list-style-type: none"> Community Reinvestment | <ul style="list-style-type: none"> No stated accommodations or considerations for improvement to communities disadvantaged by the war on drugs. | <ul style="list-style-type: none"> Less than 25% of cannabis and related tax revenues and fees are obligated to fund strategies, programs, and organizations to address harms of war on drugs; Stated obligations include robust community engagement. | <ul style="list-style-type: none"> At least 75% of cannabis and related tax revenues and fees obligated to fund strategies, programs, and organizations to address harms of war on drugs; specific and targeted support outlined in legally binding CBAs. Inclusion of community stakeholders in the decision making process of how those funds are used. |
| <ul style="list-style-type: none"> Small Business Development | <ul style="list-style-type: none"> No license priority status; mandated prime/sub priority status; No moratoriums against non social equity operators. | <ul style="list-style-type: none"> Designated technical assistance funds to help individuals from communities disadvantaged by the war on drugs. Secure the business acumen to successfully compete in the regulated cannabis industry. Access to capital based on the business model of the applicant. Exclusivity periods for business owners from historically disadvantaged communities. | <ul style="list-style-type: none"> A fully funded pre-seed, incubator/accelerator program which includes, mentorship, capitalization and priority license status. A strong supplier diversity program to prioritize owners from communities disproportionately impacted by war on drugs. |
| <ul style="list-style-type: none"> Cannabis Workforce Development | <ul style="list-style-type: none"> No priority for individuals with a criminal background. | <ul style="list-style-type: none"> Recruitment partners identified as trusted stakeholders for criminal justice involved populations. 50% of new hires from disadvantaged communities. | <ul style="list-style-type: none"> Recruitment and training programs specifically for individuals from disadvantaged communities for cannabis and non-cannabis industry opportunities. |
| <ul style="list-style-type: none"> Stakeholder Engagement | <ul style="list-style-type: none"> No stated objectives to include stakeholders in all parts of the regulating, implementation and oversight of cannabis legalization. | <ul style="list-style-type: none"> Recognizes the value and equality of all stakeholders with specific requirements for local community engagement and participation. | <ul style="list-style-type: none"> Community members included in decision making and identified i policy and practice. |

INDUSTRY ACTION STEPS

- **Clarify your organization's intent and position.** A clearly defined and shared understanding of social equity goals are required before resources can be optimally aligned.
- **Engage the community.** Be broad and inclusive. Cannabis legalization impacts across the spectrum of daily living. From land use to health, and from housing to workforce development. Include pro bono legal services, faith communities, and public health experts.
- **Identify your goals.** Be bold and realistic. Goals should feature achievable and measurable activities because this will ultimately be your road map.
- **Promote your commitment.** Effective communication of your social equity efforts set the tone both internally and externally. Promoting the company as equitable in its practices and policies clarifies the culture to all including employees, customers, investors, community partners, and broader stakeholders.
- **Track and report your progress.** Track your work and be honest about any setbacks. Perfect is not a goal. Intent, execution, and accountability are hallmarks to authenticity. Share your learnings and growth opportunities as a part of your business bottom lines.

INDUSTRY ACTION SPOTLIGHT:

Chicago based Cresco Labs, Social Equity & Educational Development (SEED) Program

Cresco Labs, one of the largest vertically integrated multi state cannabis operators in the United States, launched the SEED initiative which is “designed to ensure that all members of our society have the skills, knowledge and opportunity to work in and own businesses in this industry.” The SEED initiative centers around three major components:

1. **Social Justice:** Engage and collaborate with community organizations and local agencies to facilitate expungement events and support entry into the cannabis industry.
2. **Community Impact Incubator Program:** Provide qualifying social equity applicants with the resources, knowledge, financial support, and guidance needed to successfully apply for dispensary licenses in the Illinois adult use cannabis program.
3. **Workforce Development and Education:** Collaborate with higher education institutions to develop cannabis-focused curriculum.

For more information visit <https://www.crescolabs.com/seed/>

| THINGS TO CONSIDER | | | | |
|---|---|---|--|--|
| EQUITY IN CANNABIS INDICATORS | RESISTING | OPENING | LAUNCHING | LEADING |
| <ul style="list-style-type: none"> Equity | <ul style="list-style-type: none"> There is no need to have stated equity goals. | <ul style="list-style-type: none"> Recognition that equity practices are important and contemplating company's equity goals. | <ul style="list-style-type: none"> Recognition that equity practices are mission critical and actively working to align operations and business priorities. | <ul style="list-style-type: none"> Integration of equity practices in the mission, the organization and its corporate social responsibility programming. |
| <ul style="list-style-type: none"> Data | <ul style="list-style-type: none"> There are no diversity, equity and inclusion measuring, tracking and reporting system in place. | <ul style="list-style-type: none"> Limited data is available. There is interest in systematizing DEI data collection. | <ul style="list-style-type: none"> Collects, tracks and disaggregates demographic data across all business units. | <ul style="list-style-type: none"> Uses demographic data systematically tracked and disaggregated to make informed decisions regarding equity and inclusion. |
| <ul style="list-style-type: none"> Diversity, Equity and Inclusion (DEI) statement and plan. | <ul style="list-style-type: none"> No DEI leadership in governance, management or staff. | <ul style="list-style-type: none"> A small group of management and staff discuss advancing equity but no plan is established. | <ul style="list-style-type: none"> There is a designated work group of management and staff leading the organization's efforts and ready to operationalize. | <ul style="list-style-type: none"> Every level of organizational leadership is well versed in equity practices that have been implemented and tested. The organization is leading the industry with accountability and performance plan. |
| <ul style="list-style-type: none"> Practices, policies, and infrastructure. | <ul style="list-style-type: none"> No policies, practices in place to establish equity outcomes. | <ul style="list-style-type: none"> Expressed interest in developing equity specific organizational policies with operational infrastructure. | <ul style="list-style-type: none"> Developed internal plan to operationalize equity practices by establishing formal structures to integrate across business units. | <ul style="list-style-type: none"> Executed programs and services with equity framework that include clear goals, strategies and performance indicators. |

THINGS TO CONSIDER

| EQUITY IN CANNABIS INDICATORS | RESISTING | OPENING | LAUNCHING | LEADING |
|---|--|--|--|--|
| <ul style="list-style-type: none"> DEI as a measurable goal. | <ul style="list-style-type: none"> Resistance to diversification as a winning strategy. | <ul style="list-style-type: none"> Discussions with intention to align values with diversifying organization goals. | <ul style="list-style-type: none"> Actively working to diversify governing bodies, partners, management and staff with benchmarks. | <ul style="list-style-type: none"> A clear and consistent mandate with visible support from leadership. Data collection used to inform HR practices, training and decision making. |
| <ul style="list-style-type: none"> Community | <ul style="list-style-type: none"> Disconnected to community values and those represented in social equity. | <ul style="list-style-type: none"> Recognizes the community as value added with no involvement in or engagement with the community. | <ul style="list-style-type: none"> Actively engages members of the community with a specific action plan. | <ul style="list-style-type: none"> Community members are sought as key influencers and provide an important role in feedback for decision makers. |
| <ul style="list-style-type: none"> Accountability | <ul style="list-style-type: none"> No established metrics to evaluate organization equity metrics. | <ul style="list-style-type: none"> Identifies equity metrics to be established but there's no plan of action to do so. | <ul style="list-style-type: none"> Establishing equity metrics to be included in the organization evaluation system (HR, Business unit, etc). | <ul style="list-style-type: none"> Every unit in the organization has equity metrics and evaluation mechanisms built into programs, projects and corporate governance structure. |

GOVERNMENT ACTION STEPS

- **Prioritize Marginalized Communities:** Ensure cannabis regulations, policies, practices related to facilities, structures, systems, and technologies are inclusive of all, while prioritizing individuals from communities disproportionately impacted by war on drug policies.
- **Create Evaluation Tools:** Establish assessments of the effectiveness of regulations and policies addressing issues of social justice, and high barriers to entry into the legal cannabis industry.
- **Demand Social Equity:** Strongly advocate for social equity requirement language in the law, policies, practices and regulations to legalize cannabis.
- **Maintain Stakeholder Relationships:** Demonstrate the ability to foster collaboration with other cannabis and social equity experts in support of social equity practices and policies.
- **Address Collateral Consequences:** Provide leadership and consultation to broader public service entities on strategies to mitigate negative impact of collateral consequences associated with marijuana arrests, convictions, and incarcerations.
- **Review of Zoning Ordinances:** A zoning ordinance is one of the most important tools available to the government and when zoning for cannabis a social equity lens should be utilized.
- **Invest in Public Cannabis Education:** Develop robust, culturally competent education and awareness campaigns on marijuana laws and their potential impact. The campaign should also highlight social equity opportunities in entrepreneurship, education, training and employment to individuals and communities disproportionately impacted by the war on drugs.
- **Respect the Value of Expertise:** Assemble an advisory board of cannabis consumers, policy experts, and regulated and unregulated market entrepreneurs.

GOVERNMENT ACTION SPOTLIGHT:

In 2017, the state of Florida enacted legislation to expand its medical marijuana program. This bill included a policy that authorized Historically Black College Florida A&M University (FAMU) to receive \$10 out of every \$75 paid for a medical marijuana identification card. FAMU was directed to use these funds to “educate minorities about marijuana for medical use and the impact of the unlawful use of marijuana on minority communities¹.”

These funds are deposited into FAMU’s Medical Marijuana Education and Research Initiative to educate and inform Florida’s diverse minority communities about the benefits of medical marijuana and the potential consequence to health and well-being from recreational use. According to the Florida Department of Health, at the end of October 2019, FAMU had received approximately \$885,000. FAMU has been able to develop a basic education course on medical marijuana and ultimately increase the body of research that promotes and advances knowledge about medical marijuana.

For more information please visit: <http://mmeri.famu.edu/>

¹ Chapter 2017-232, Laws of Florida

THINGS TO CONSIDER

| THINGS TO CONSIDER | | | |
|---|---|--|--|
| CRIMINAL JUSTICE REFORM PLANS | EQUITY IN LICENSES PLANS | CANNABIS GENERATED REVENUE PLANS | COMMUNITY BENEFITS COMPONENTS |
| <ul style="list-style-type: none"> Retroactive expungement of marijuana and marijuana related arrests and/or convictions to be automatically reviewed and executed by local jurisdictions. | <ul style="list-style-type: none"> 1:1 licensing structure for social equity applicants and non social equity applicants. | <ul style="list-style-type: none"> Mandated minimum percentage of tax revenues and or flat fees collected to support social equity programming. | <ul style="list-style-type: none"> Allocation of funding to support education stipends for individuals employed in full-time entry level positions. |
| <ul style="list-style-type: none"> Reduction or commutation of sentences for marijuana related offenses. | <ul style="list-style-type: none"> Minimum one-year moratorium on out-of-state businesses seeking licensure by the binding jurisdiction. Local ownership requirement. | <ul style="list-style-type: none"> 1% of cannabis generated tax revenues to support violence prevention, substance abuse and consumer education targeting communities and individuals disproportionately impacted by marijuana arrests, convictions and mass incarceration. | <ul style="list-style-type: none"> Implementation of robust contracting processes with clear goals of improving social equity outcomes through the use of verified social equity owned; minority or women-owned contractors and subcontractors. |
| <ul style="list-style-type: none"> Eliminate exclusionary language related to marijuana felony convictions in licensing. | <ul style="list-style-type: none"> Priority social equity classification or certification. | <ul style="list-style-type: none"> Tax revenue to fund Health Impact Assessment on the outset and the 3 year mark of adult recreational use. | <ul style="list-style-type: none"> At least 5% of all goods and services purchased must be from verified social equity owners; certified Minority and Women-Owned Businesses (MWOBEs), Service Disabled Veteran-Owned Businesses (SDVOBs). |
| <ul style="list-style-type: none"> Eliminate mandatory marijuana urine test for individuals on probation. | <ul style="list-style-type: none"> License structures that include delivery, cooperatives, special event permitting, an micro businesses. | <ul style="list-style-type: none"> A restorative justice fund to provide direct financial support to individuals with certain non-violent marijuana offenses. | <ul style="list-style-type: none"> Execution of a robust engagement and partnership strategy with one or more CBOs, racial equity advocacy organizations, educational institutions, and government agencies that serve and work closely with traditionally disadvantaged communities. |

Resources

[Minority Cannabis Business Association: Ten Model Municipal Social Equity Ordinances, 2019](#)

[Cannabis Equity Report, City and County of San Francisco, 2017](#)

[Marijuana Business Daily: Women and Minorities in the Cannabis Industry](#)

[U.S. Commission on Civil Rights - Collateral Consequences:
The Crossroads of Punishment, Redemption, and the Effects on Communities](#)

[Center for Black Equity: Social Equity](#)

[Repairing the Harms, Creating the Future:
Centering Cannabis Social & Health Equity in Los Angeles](#)

[Black Cannabis Equity Initiative: Equity, Diversity, and Inclusion Report Card](#)



Testimony for: Bobby McLeod, HomeGrower, Inc.

COW, CBED, and CJPS Hearing on Bills 24-113 and 24-118
Nov 19, 2021 09:00 AM Eastern Time (US and Canada)

My name is Bobby McLeod. I am the founder and CEO of HomeGrower, Inc. HomeGrower is a multi-state certified minority owned cannabis business operating licensed cannabis cultivation and storage facilities primarily for residential, minority and small commercial growers. HomeGrower has a patent pending. HomeGrower is developing licenses in DC, Michigan, New Jersey, and New York.

As an African American growing up in Washington, DC during the 1950's, I learned the importance of inclusion and the value of diversity. I learned that second chances can make a difference. I have incorporated these lessons into my personal and professional life.

At HomeGrower, we strongly support social equity initiatives, and we believe both the government and the private sector should do everything possible to increase minority ownership, minority revenue sharing and job opportunities for minorities in the rapidly expanding cannabis industry.

The proposals included in the bills being considered by this committee are a good start but do not go far enough toward achieving the goals of increasing minority opportunities and their participation in the local cannabis industry.

The first step in any social equity program is to identify the problem. In this case both bills recognize the need to expunge the criminal records of those residents arrested and convicted of possession and sale of small quantities of marijuana. These convictions for minor drug offenses are a barrier to some residents' entry into the local cannabis business.

The second step is to provide realistic economic opportunities. The bills call for setting aside a percentage of cannabis licenses and awarding preference points for residents who had been previously convicted of minor cannabis offenses or who suffer the societal consequences of being a minority in America (i.e., poverty, unemployment, and high crime rates).

Additionally, there are provisions for the creation of a Cannabis Equity and Opportunity Fund, supported by tax revenues from cannabis sales, to provide loans, grants, and technical assistance to those receiving the set aside licenses.

HomeGrower supports these provisions.

Like other cannabis facilities, HomeGrower facilities are, also, professionally designed, operated, and professionally staffed. However, there is a major difference. HomeGrower provides residents the opportunity to share in the revenue stream of their local cannabis facility and residents can purchase, at a low cost, equity shares in that HomeGrower facility.

While it is vital that those who apply for and receive a cannabis license have access to the funding necessary to start and maintain their businesses, it is also important that these new license holders are given the knowledge and training needed to run their businesses.

There is an old saying “if you give a man a fish, he will eat today, but teach a man to fish and he will eat forever.” Training and education are paramount to the success of your social equity initiatives.

Completion of a quality cannabis training program that covers all aspects of the industry from cultivation to processing to distribution to retail marketing should be a requirement for new license holders.

HomeGrower, Inc provides, tuition-free, training and certification programs to our resident growers and small business cultivators through our 501(c)3 non-profit LegacyNation. We also offer critical professional business and management consulting services through our Financial and Management Services Company, Inc.

At HomeGrower, we believe that it is not only important to open the doors to opportunity but to provide the support needed to face every challenge and it is

incumbent upon the City Council to take similar steps to make sure we are not setting people up to fail.

Community involvement is also essential to making social equity work. There must be ways established to draw in the community and make them understand that these initiatives not only benefit the participants but the community at large.

At HomeGrower, we have our own community outreach staff and HomeGrower will provide direct financial support community organizations.

On another point, I think the City Council should take under consideration and steps to legitimize the independent businesses that currently operate in the absence of legislation governing the sales of recreational cannabis. HomeGrower believes that rather than attempting to eliminate this market, that we create a “pathway” for them to become which allows these entrepreneurs to continue to make a living.

We support the careful drafting of regulations covering the cultivation, production, and sale of cannabis in the District of Columbia and would welcome the opportunity to assist in the crafting of the proposed new rules.

Thank you again for the opportunity to provide my comments on these important pieces of legislation and I will answer any questions you may have.

Bobby McLeod

President/CEO

HomeGrower Cannabis Group (DC, NJ, NY, MI)

(202) 669-3023 cell

www.HomeGrower.net

www.LegacyNationFountation.org (a 501(c)3 tuition-free cannabis training program)

Marijuana in the District of Columbia

I am advocating for myself and other nonsmokers in the District of Columbia (District).

The District is considering a way to make more revenue for the city at its Nonsmoking resident's expense. I am certain that most of the lawmakers that considered this money-making task live in detached homes with distance between their neighbors. Since the legalization of marijuana consumption was approved, many of us have been suffering with health issues and financial costs to seal our homes due to our neighbor's marijuana use. Fear of retaliation has also been a factor for us and our senior population who are afraid to speak up. I have been asked to speak for a few on their behalf.

The current law pits nonsmokers against smokers and has caused neighbors not to be neighborly anymore. We are being forced to involuntarily smell the pungent odor of marijuana that seeps through our adjoining walls from the smoker's homes. For the past three years I have contacted numerous agencies for help, that have no clue of how to enforce the relatively new law. There are thousands of us in the District who have called for help only to be told, "It's legal and there is nothing we can do"! We pay taxes too!

This law has caused nonsmoking residents and the police force to take the posture of sitting ducks. When the police are called, they are unable to do anything to help us. We have been retaliated against and our lives and health are being put at risk. I have been hospitalized and continue to suffer with Anxiety, headaches, and severe tiredness and lack of sleep due to the fumes that enter my home morning, noon, and night. I have also been threatened to be jumped if I file a lawsuit.

The Open Air Cannabis Market has been strengthened since marijuana was legalized because no one is enforcing the law (article, Hill Rag, by Elizabeth O'Gorek, May 28, 2021, titled "Open Air Marijuana Market Flourishes on H Street, Residents Say Marijuana "Gray Market" Brings Safety Concerns). You smell marijuana in your home and while driving in your vehicle. I fear the frequency and intensity of use will worsen if the Council allows more open sales and that myself and others will suffer further secondhand impacts.

Studies have shown that rats were affected by one minute of secondhand marijuana smoke even with smoke concentrations low enough that the smoke was not visible in the air. (Journal of the AHA by Wang et al, written by Karen M Wilson on July 27, 2016, Vol. 5, No.8, titled "Secondhand Marijuana Smoke is Not Benign"). And any prolonged exposure to any kind of smoke can harm your lungs and cause other health issues.

My recommendations to remedy the issues so that the District may continue to receive the tax revenue they desire are as follows:

1. If a person is authorized to receive a medical marijuana card, they should consume their Cannabis in the form of a pill, liquid, edible, topical, transdermal patch, or tablet. If necessary, use filtering devices to contain the smoke in their home.

2. There should be a Grant program funded from a portion of the revenue that the city receives, that gives homeowners and landlords funds to seal the walls between their homes or apartment units to prevent the smell and smoke from seeping through the walls and receive an exhaust fan(s) to help with ventilation. Literally, put a wedge between neighbors.
3. Include free healthcare to those affected by Secondhand Marijuana Smoke as an incentive of the law that provides 100% of rehabilitation.

Thank you for allowing me to speak on my behalf and other residents who have been affected by not being thought about during the creation of the marijuana legalization laws of the District of Columbia.

Chairs and distinguished members of the committee,

My name is Tiffany Barnard Davidson. I live in Ward 6. I am testifying in response to Bill 24-113 and Bill 24-118.

I DO NOT support the bills.

On December 9, 2018, my eyes were forever opened to marijuana addiction and its deleterious consequences.

In the early evening of December 9, my then-17-year-old son lay in my arms sobbing uncontrollably. I would soon learn that he was struggling with marijuana addiction. We took swift action and today I am able to report that my son has nearly 3 years of clean time.

My bright, enthusiastic, confident, and curious son became a shell of his former self in just one year of vaping 97% THC oil. What started as recreational use with friends increased exponentially into daily use, multiple times a day, in his room, by himself, with clear intention to move on to harder drugs. That was my son until the evening of December 9 when he had the remarkable self-awareness to see that his behavior was self destructive.

And this, DESPITE the shameless snow job that BIG MARIJUANA has propagated in this country and that he had internalized as TRUTH:

THAT marijuana is NOT addictive.

THAT marijuana is merely a harmless pleasure.

I stand here on behalf of my family and the countless number of families I have met in 3 years whose lives have been upended by addiction. Many of those stories are far more tragic than mine, but dead kids can't speak and the parents of those children are often too traumatized.

If YOU vote to legalize recreational marijuana, YOU will have blood on your hands.

YOU will be responsible for encouraging marijuana use and for the steady increase in use and addiction that already exists in the District. The district already has some of the highest rates of marijuana use in the nation.

YOU will be responsible for every family brought to its knees by this drug and by the drugs that follow once the high from marijuana is no longer high enough.

YOU will be responsible for every injury and fatality due to driving under the influence of marijuana.

YOU will be responsible for telling YOUR children and grandchildren and YOUR constituents and THEIR children that YOU didn't perform due diligence, that YOU didn't listen to scientists, or mental health professionals, or police chiefs, or emergency room workers or the parents of dead kids.

Or the parents of kids in recovery.

Or the kids in recovery.

YOU will be no better than the legislators who let the Opioid Epidemic happen.

Thank you.



Written Testimony on
The Comprehensive Cannabis Legalization and Regulation Act of 2021
Council of the District of Columbia
Committee of the Whole, Judiciary & Public Safety and
Business & Economic Development Public Hearing
December 3, 2021

Introduction

Note: this testimony replaces and supersedes the preliminary testimony submitted by the Enact Group prior to the November 19, 2021, joint public hearing before the Committees of the Whole, Committee on Judiciary & Public Safety, and Committee on Business & Economic Development Public.

As Principal of the Enact Group, I would like to thank Chairman Mendelson, Chairman Allen, Chairman McDuffie, and members of the Council for the opportunity to testify today on the Comprehensive Cannabis Legalization and Regulation Act of 2021. I have lived in the District since 2007, currently residing in Ward 6. Professionally I have over a decade of experience in marijuana policy advocacy and several years of industry consulting experience regarding licensure and regulatory compliance. I began my career in marijuana policy reform as a clerk in the DC Council Committee on Health in 2010 when the Council was debating DC medical marijuana bill that establish the dispensary system and it has been fascinating to see the evolution of cannabis reform in the district over the past decade.

The Enact Group currently provides federal advocacy services to the Drug Policy Alliance and Students for Sensible Drug Policy. Enact also helps businesses interested in navigated state legal and regulatory structures. However, this testimony only represents the views of the Enact Group and is not on behalf of either organization, nor is Enact providing testimony on behalf of any marijuana business or gifting entity.

Bill Discussion

Taken as a whole, **Enact testifies in support of the Comprehensive Cannabis Legalization and Regulation Act of 2021** ("the Act"). If signed into law, the Act would arguably be the premier marijuana law when it comes to centering directly impact individuals and communities that have been disproportionately harmed by criminal marijuana enforcement. The Act has strong supports for an inclusive industry that provides opportunities for individuals who have been targeted by racially discriminatory arrests and prosecutions under criminalization. The bill also contains strong protections for District residents exercising their right to experience marijuana without losing parental custody or public benefits. The following are among the strongest features of the Act along with some suggestions for improvements:



- **Sec. 6 and Sec. 7** - Automatic expungement for marijuana arrests, prosecutions, and convictions related to marijuana, and a pathway to a modification of sentence for individuals currently incarcerated for marijuana offenses are essential elements of any comprehensive marijuana reform effort.
 - Suggested improvements: Set a deadline of 30 days for completion of the expungement review requirement and require notification within 10 days of completion to the person whose record is being expunged. Include language preventing landlords and employers from using previously obtained information regarding marijuana arrests in districts that have been expunged.
- **Sec. 5 and Sec. 16** - These protections from civil discrimination against individuals lawfully using marijuana are necessary so that harms of marijuana prohibition are not reformulated under regulation. Marijuana has long been *de facto* legalized in certain parts of the District but not others. Individuals receiving public assistance should not be subject to a loss of benefits for engaging in lawful marijuana conduct. We have no suggested changes for these two sections and urge the Council to keep these provisions fully intact. The bill would be significantly weaker without these provisions.
- **§ 25-2901** - The Act wisely does not re-criminalize marijuana for individuals under the age of 21. An arrest for marijuana use can be far more devastating to a young person's life than the mere consumption of cannabis. If criminal penalties must be adopted for underage marijuana possession, they should solely be imposed on the adults who distribute to minors. The District helped start a national trend when it first decriminalized marijuana for District residents under the age of 21 with the passage of the *Simple Possession of Small Quantities Of Marijuana Decriminalization Amendment Act of 2013*. Today, the majority of adult-use marijuana states have decriminalized underage possession, and notably, there is no evidence that such policies lead to an increase in underage use. Reducing fines for initial violations is a good improvement to the District's underage
- **Sec. 10** - Allowing District residents on probation to lawfully consume cannabis is commonsense reform. Probation violations for marijuana use are one of the leading reasons why Districts residents end up being incarcerated while serving probation terms.
- **Sec. 25-214. Marijuana Advisory Committee.** - The composition of the Marijuana Advisory Committee is one of the most comprehensive and inclusive among marijuana regulatory programs.
 - Suggested improvement: include at least one individual who has been previously incarcerated for a marijuana offense.
- **§ 25-2301(b)** - Allowing individuals with previous controlled substance convictions to be eligible to obtain a marijuana business license so long as it was not for distribution to a minor is a sensible inclusion.
 - Suggested improvement: In the event that an individual applicant with a previously controlled substances conviction has their application rejected, require ABRA to state the reasons why an applicant was not approved so there is assurance that the rejection was not solely on the basis of the controlled substances conviction.



- § 25-2203. *Marijuana microbusiness licenses* - Providing low barriers to entry in the regulated market is good public policy. Microbusiness license programs have been successful additions in several adult-use markets.
 - Suggested improvement: provide additional microbusiness licenses for smaller canopies and allow for community co-ops, especially near areas of high-density housing where home cultivation is not practical.
- § 25-2108. *Community reinvestment program fund* and “§ 25-2104. *Social equity in the cannabis industry*.- Among the key features of the Act are the Community Reinvestment Program Fund and Cannabis Equity and Opportunity Fund. Having dedicated streams of tax revenue from the marijuana industry to pay for social equity and reparative justice programming, such as re-entry and job training will help ensure that communities that were harmed by marijuana prohibition are prioritized for receiving the benefits of legalization.

Areas of Concern

While the Act is a very strong bill as it is currently drafted, there are a number of areas that were not adequately addressed in the introduced version of the bill.

Public consumption laws should mirror tobacco consumption

The Act regrettably maintains the status quo of criminalization for public consumption of marijuana, which fails to live up to the otherwise strong criminal justice reform provisions in the bill. Consuming a legal product in a public space should not be a criminal offense, so long as distribution to a minor is not involved. Instead, the District should follow the lead of New York state which has equalized cannabis and tobacco public consumption laws. Given the inability of individuals living in Section 8 housing to be able to legally consume marijuana in their own residence, allowing for public outdoor consumption is a commonsense improvement to this already strong piece of legislation. Additionally, allowing outdoor public consumption will provide relief to District residents in high occupancy buildings and do not consume marijuana who may otherwise complain about marijuana odor in their units.

Lack of adequate cultivation space in the District... and the situation will worsen after federal legalization

It has been estimated that roughly 12% of Americans are regular marijuana consumers.¹ This means there approximately 85,000 regular cannabis consumers who are District residents. Additionally, it has been estimated that the District has large workforce that does not reside here, with upwards of 100,000 or more District jobs occupied by non-residents. Further, the District receives 20 to 25 million tourists each year, meaning there are roughly of 3 million tourists visiting the District each year how many seek to purchase cannabis during their stay. Then there are casual visitors from neighboring states that visit but not might be included in the tourist figures.

¹ Zach Hrynowski. *What Percentage of Americans Smoke Marijuana?* Gallup. Available at: <https://news.gallup.com/poll/284135/percentage-americans-smoke-marijuana.aspx>.



Given the District needs to have sufficient cultivation capacity for at least 100,000 regular cannabis consumers, plus several hundred thousand more tourists each month, the District should have a cultivation capacity to serve at least 200,000 cannabis consumers. Unfortunately, the District lacks adequate cultivation space to accomplish this.

Making this situation more of a reason for concern is the looming possibility of federal legalization, which would likely usher in the era of interstate commerce. From a consumer and retail shop owner perspective, interstate commerce will be a huge improvement for a wide selection of affordable products. However, DC licensed marijuana cultivators would then face a tremendously difficult situation because their costs of doing business will be significantly higher than their counterparts in states with large greenhouse capacities. Additionally, cultivating large amounts of marijuana in indoor warehouses is the least environmentally friendly way to grow cannabis (although worker conditions tend to be better in indoor facilities).

To be perfectly frank, I don't know if there is a solution that will completely address this conundrum, but it can take a number of mitigation steps to put it in the best position moving forward. These include allowing District residents growing under the home cultivation law as well as cottage industry growers to be able to sell their cannabis to distributors for testing and packaging for retail. Additionally, the District must engage with other states to negotiate favorable interstate compacts to ensure sufficient regulated product is available for purchase in the District. The time for such negotiations is now, the District government cannot afford to wait until after federal legalization to put DC in the best position possible moving forward.

Medical operators who have played by the rules deserve relief

The District's medical cannabis operators have been faced with an unfair situation from the very beginning of DC's medical program. In the early days of the program, the DC Council failed to make medical cannabis access available to most District residents who could have benefited from it. By imposing the nation's most restrictive qualifying conditions language, most District residents who should have been eligible decided to keep making unregulated purchases to obtain their cannabis. Making matters worse, the Department of Health's gross mismanagement of approving and issuing patient registration cards frustrated many potential customers again to the point of abandoning the regulated medical market in favor of unregulated purchases. Then, once after several years of mediocre patient registration numbers, the Council finally got rid of the qualifying conditions list, but a short while later, Initiative 71 was passed and again prospective medical patients found it much easier to stick with their unregulated source of marijuana. Had the Council not imposed such unworkable conditions at the start of the program and if DOH had not mismanaged the patient registration approval process, DC's medical operators might not have suffered the poor economic conditions they currently face.

In order to *begin* to bring relief to DC's medical operators, the Council should immediately pass the Medical Cannabis Amendment Act of 2021 (B24-0113). Additionally, the District should offer



reasonable periods of tax abatement and license fee waivers for current medical operators once they are able to apply for adult-use licenses under the Act.

Begin to regulate so-call “gifting” shops

Given the restrictions of the Congressional Harris Amendment, DC is limited in its ability to attempt to regulate existing storefronts and delivery services that purport to operate on a gifting basis under the provisions of Initiative 71. Regardless of the actual legal status of these businesses, the fact that the District has allowed these entities to exist in this manner for several years means that the District now has an obligation to figure out how to bring these entities into the regulated market. District residents have come to rely on these stores as one of several options to obtain cannabis.

While most would agree that unregulated stores selling untested products is suboptimal from a public policy perspective, public policy considerations necessitate contemplating the alternative to their existence. There seems to be a notion that clamping down on these entities would benefit DC’s medical operators but fails to consider the more likely outcome that most DC marijuana consumers would return to the clandestine purchases they made before Initiative 71. Quite simply, the government mismanagement of the medical program has cemented the perception in the minds of most that DC’s medical program is broken beyond repair. While the fixes in B24-0113 may eventually alter that perception, it will take years for that change to occur.

Instead, the District could begin to quasi-regulate the so-called gifting stores through a combination of civil fines for specific conduct and lowest enforcement priority legislation. These types of approaches would stand up to scrutiny under the Harris Amendment, which limits the District from passing laws “to legalize or otherwise reduce penalties.” Legislation to impose fines on specific unwanted conduct by entities distributing marijuana is not legalizing nor is it reducing penalties. If anything, it is increasing penalties for so-called gifting businesses. Additionally, we know from the enactment of Initiative 81 that lowest law enforcement provisions are permissible under the Harris Amendment.

Therefore, the Council should consider separate legislation from this Act to impose modest fines for violations of specific conduct by businesses that purport to give away marijuana. For example, a provision could read “a business, licensed or otherwise, in the District that provides to customers or clients over the age of 21 marijuana in addition to another product or service, shall not allow individuals to pass out fliers or publicly announce their services. Any individual or entity that violates this requirement shall be subject to a \$100 fine per violation.” This structure could be used for any sort of regulatory requirements the District government would wish to impose on so-called gifting entities. Additionally, the District could use compliance with these quasi-regulatory provisions to be the basis for priority licensure among so-called gifting businesses that wish to enter the regulated market once it becomes available.

Thank you for your time and I look forward to see what improvements the Council will make to this already strong piece of legislation.



Michael Liszewski

Principal, the Enact Group and Ward 6 resident

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Committee of the Whole (Council)

From: Editor East Coast Amsterdam <ecadm.editor@gmail.com>
Sent: Friday, November 19, 2021 11:10 AM
To: Committee of the Whole (Council)
Subject: Testimony for today's cannabis hearing

Good morning. Thank you for offering this opportunity to provide testimony. My name is Peter Stinson. I'm the manager of East Coast Amsterdam LLC, a limited liability company formed in the District of Columbia. We publish an online magazine supporting the adult-use cannabis marketplace. Regulation -- aside from restrictions on advertising, publishing, and speech - will not directly impact our business.

For your consideration, we offer eight recommendations as you consider legislation.

These suggestions provide fundamental outcomes for a successful marketplace that will benefit the City, her residents, and her guests.

Recommendations about protecting current businesses operating in the District of Columbia:

1. Include a bridge for current I-71 businesses to move to the regulated framework. (I note businesses eligible for this bridge program must be currently in compliance with all other DC rules and regulations.)
2. Allow licensed medical facilities to immediately begin selling adult-use, recreational cannabis and cannabis products from separate counters or rooms within their current dispensaries.

Recommendations about who should be able to purchase a license:

1. Limit all cannabis licenses to residents of the District of Columbia.
2. Include a robust social equity category for all license types (growing, production, retail, delivery, testing, etc).
3. Ensure a license category for "farmer's markets" for people growing within the personal-use grow limits to be able to sell their produce.

Recommendations about the sale of cannabis:

1. Cannabis flower should be packaged in childproof packaging that allows the customer to see the product packaged inside.

Recommendations about the use and enjoyment of cannabis:

1. Treat cannabis smoking the same as tobacco with regard to restrictions on where people can smoke cannabis (see New York State).
2. Allow for cannabis lounges, licensed places where people can smoke cannabis.

Please visit us at EastCoastAmsterdam.com.

I'd be most happy to answer any questions you might have. Thank you for your time.

--

Very respectfully,

/s/ Peter

Editor, East Coast Amsterdam

<https://EastCoastAmsterdam.com>

We are the place for the DMV's best weed writing

Thank you for your time, Mr. Chairman. My name is Grace Reeder, and I'm here today representing the i-71 Committee. The i-71 Committee is a coalition of citizens, industry leaders and stakeholders who are committed to, and hoping to work alongside this Council to pass equitable, fair, and socially conscious cannabis legislation.

I have a few main points I want to touch on today but I want to start by urging this Council (and those who have already spoken) to consider the impact of some of their statements, ones that have referred to i-71 small businesses as part of an illegal or illicit market. These are unfair characterizations of the unregulated market and have harmful impacts to those currently working in those businesses, the majority of whom are people of color, already targeted by the threat of over-policing in this very city. It is imperative that we prioritize the needs of those who have historically (and continue to be) criminalized for their participation in this industry.

Some people on the Council have threatened to shut these small businesses down. This has translated to anxiety, confusion, and fear for business owners and many employees, leaving thousands concerned about their future job security. As it stands, this legislation would put thousands of people out of jobs, by failing to address the unregulated market.

As the transition to legal recreational sales takes place in legislatures across the country, wealthy white people have capitalized on the opportunity to line their own pockets. And DC, unfortunately, is no different. The most concerning theme I have seen today is the prioritization of wealth for those already represented in this legislation; they have made it incredibly clear that they do not care about social equity. It is no secret that there are issues with the current unregulated market. There is a way for both the regulated and unregulated markets to access licenses - without directly harming people of color, the majority of employees currently working in the unregulated market.

We are asking this Council to consider the amendments the i-71 committee will be submitting to the official record, as we believe it will only strengthen this legislation. We are simply asking to be included in this discussion.

Even if DC is ultimately unable to legalize recreational sales due to the restrictions imposed by DC's lack of statehood, i-71 businesses still deserve to be protected. This is why we will also be submitting recommendations on how this Council should address the unregulated market going forward.

This legislation, as it's written today, is not socially equitable or fair for DC residents and small business owners. DC has the opportunity to lead the country with the most progressive and socially equitable cannabis legislation; it can happen, as long as i-71 stores have a seat at the table, when crafting these policies. While it's not perfect the way

it is right now, no one here can argue it isn't mostly working. We are currently open for business and look forward to working with you to strengthen this Bill, and to ensure that the current fabric of businesses are able to operate on a fair and equitable playing field by allowing them access to licenses at the same time as the medical dispensaries.

THE i-71 COMMITTEE

December 10th, 2021

The Honorable Phil Mendelson, Chairman
Committee of the Whole
Council of the District of Columbia

RE: Bill 24-0118, Comprehensive Cannabis Legislation and Regulation Act of 2021

Honorable Chairman Mendelson,

The i-71 Committee was encouraged by the discussions that took place at the public hearing on November 19th regarding Bill 24-0118. We believe the Council will listen to the concerns of its constituents to include a pathway for i-71 small businesses operating in good standing to apply for recreational licenses within the first year applications are accepted. We are grateful for your hard work in writing legislation that prioritizes social equity and attempts to rectify the harm done to communities targeted in the war on drugs.

We firmly believe that DC has the opportunity to lead the nation in establishing a recreational cannabis industry that centers equity, social justice, and opportunity for all. That process begins with crafting good public policy; while Bill 24-0118 is a great start, we believe there are some areas where it can be improved to better serve small businesses, people of color, and employees currently working in i-71 businesses. Therefore, we have created a set of recommendations, attached below, intended to strengthen this bill, creating an industry that is truly equitable. Additionally, we have drafted language that we would like to see added to Bill 24-0118. Both reflect our position that i-71 businesses deserve a fair shot at the licenses available when legalized recreational sales commence.

We understand that there are congressional restrictions that make it difficult for DC to legalize recreational cannabis, primarily the Harris Rider, which we, like many on the council, hope will be removed from the appropriations bill for FY2022. However, in the more than seven years since Initiative 71 was overwhelmingly approved by voters in 2014, a strong local economy has been created that cannot be ignored. There is a difference between businesses operating under good business practices and those that operate without regard for consumer safety. The i-71 Committee represents the portion

of the industry that is currently open and operating under best practices, and ready to work with you to ensure a smooth transition into recreational sales in the District. We have created a set of industry standards that many storefronts and delivery services follow that reflects many of the same sentiments written in Bill 24-0118. These standards are strictly enforced by the business leaders in our coalition and demonstrate the positive impact that i-71-compliant businesses have had in the local community.

First, we would ask for policy and practices that do not disrupt the livelihoods of our employees, the vast majority of whom are people of color. We have provided thousands of jobs for DC residents over the past seven years, and we firmly believe that excluding these small businesses – pioneers in our industry who have assumed much of the risk to lay the groundwork for recreational sales – from the transition would have harmful impacts on the DC community. Not only do they provide jobs and pay taxes, but they give back to their community through events and charitable contributions, as well as help to increase tourism to the DC region. These small businesses are critical components of the District's economy, and right now, their futures are in jeopardy. The existing i-71 businesses deserve a fair shot at licensing, yet have largely been left out of the conversation regarding the future of DC cannabis legislation.

We represent a coalition of people who are currently working in i-71 businesses. Although it currently is an unregulated market, we are excited for the future of the cannabis industry in DC and are eager to be pioneers in a regulated market as well. To that end, we ask that you provide a pathway for these small businesses to access licensing in the first year that recreational sales commence. Remove the limit placed on the number of licenses that will be granted. Don't force us out into the cold. We are a diverse industry, reflective of the fabric of this great city, employing people of color, women, veterans, disabled, and LGBTQ-identifying people. DC is unique for many reasons – let's make the cannabis industry one of them. We look forward to a collaborative partnership that allows DC to make a successful transition to recreational sales of cannabis.

Sincerely,

The i-71 Committee

The i-71 Committee's Official Recommendations:

1. We would like to see two additional seats added to the Cannabis Advisory Committee:
 - a. Someone from The i-71 Committee serves on the Cannabis Advisory Committee (see B24-0118, Section 2, subsection b, paragraph 5, subparagraph b).
 - b. An additional representative from an i-71 compliant business operating in good standing serves on the Cannabis Advisory Committee (see B24-0118, Section 2, subsection b, paragraph 5, subparagraph b).
2. Remove the limitation on who is able to access licenses in the first year. We ask that the Council either remove this limitation altogether (and only prioritize applicants who qualify as Social Equity Applicants, amended to include i-71 businesses) or amend the limitation to include properly licensed businesses operating under the i-71 Committee's "Industry Standards." We want to see brands with already established businesses have equal access to licensing in the first year, as the vast majority of these businesses are owned and operated by people of color.
 - a. Include them in the definition of Social Equity Applicants, or
 - b. Allow them to be eligible for licenses in the first year licenses are available
3. We want to ensure that businesses operating in the "gifting" market are not targeted during the transition period to recreational sales. Issue a memorandum halting all civil and criminal enforcement regarding gifting operations, so long as the business is following the Industry Standards laid forth by the i-71 Committee.
 - a. We do not want to see increased civil or criminal enforcement during the transition to recreational sales.
4. We want to protect the small businesses and brands already established in DC. The gifting market has created its own micro-economy and it is imperative that they are not left in the dark in the transition to legal recreational sales. Any bill that does not include i-71 businesses and their employees cannot be considered socially equitable.
 - a. We do not want to see multi-state operators (MSOs) come in and dominate the industry to the detriment of the small businesses already operating, who have been waiting to transition to legalized recreational sales.
5. Acknowledge that the vast majority of owners and operators transitioning from the i-71 gifting market to recreational sales are people of color; including them in the first round of applicants is critical for establishing a socially equitable recreational cannabis industry in DC.

Draft Language and Amendments to Bill 24-0118:

Introduction to Bill: Amend part about social equity program to include i-71 businesses
New language: “A robust social equity program to provide opportunities for entrepreneurship to individuals most impacted by the War on Drugs. At least half of all cannabis business licenses would be set aside for Social Equity Applicants, defined as residents who have been previously convicted of cannabis-related offenses, have lived ten of the last twenty years in areas with high rates of poverty, unemployment, and cannabis-related arrests, or who currently run businesses operating in the i-71 “gifting” market...”

Line 137: Sec. 25-214. Cannabis Advisory Committee.

Amend 25-214 (b) to read as: “(8) A person with experience gifting licensed cannabis or cannabis products;”

Amend 25-214 (b) to include: (14) An owner or operator of a licensed DC business that is transitioning into the recreational market.

Amend 25-214 (c) to read as: “(c)(1) Members of the Committee identified in (b)(5) through (b)(14) of this subsection shall serve for terms of 3 years, with yearly performance reviews required to insure the needs of the Committee and DC consumers are being adequately addressed.

Lines 280-287 “(28) “Social equity applicant” means an applicant that is a resident of the District that meets one of the following criteria:”

CHAPTER 21. GENERAL PROVISIONS, SOCIAL EQUITY, COMMUNITY REINVESTMENT, AND MEDICAL cannabis INCENTIVES.

Amend 25-101 (28) to include: “Social equity applicant” means an applicant that is a resident of the District that meets one of the following criteria:

(C): An applicant or applicants with at least 55% ownership and control by one or more individuals involved with a licensed business in DC within the last 12 months, so long as they can provide evidence that demonstrates they have been operating under the “Industry Standards” put forth by The i-71 Committee to support their application for licensing.

Line 297: “§ 25-2102. Sale of cannabis or cannabis products without a license prohibited.

Original: “(d) It shall be unlawful to give cannabis or cannabis products for free to a person in exchange for their purchasing another item or service, making a donation, engaging in advocacy, joining a club or organization, or paying a cover charge for a party or event. Such a transaction shall constitute a sale of cannabis and shall be unlawful without a license.”

Add: “At the moment recreational stores commence services, it shall be unlawful to give cannabis or cannabis products for free to a person in exchange for their purchasing another item or service, making a donation, engaging in advocacy, joining a club or organization, or paying a cover charge for a party or event. Such a transaction shall constitute a sale of cannabis and shall be unlawful without a license.”

Line 344: “§ 25-2105. Social equity applicant set-asides.

Add: “(a) The Board shall set aside at least half of all available licenses in each of the license categories in D.C. Official Code §§ 25-2201, 25-2202, 25-2203, and 25-2204 for social equity applicants. The number of available licenses for these applicants is _____ (please clarify how many licenses will be available).

Add: (d) The Board may approve set-asides for licensed businesses operating in the unregulated market during the first year applications are accepted, so as to prioritize transitioning small businesses into the recreational market.

Line 408 § 25-2108. Community reinvestment program fund.

Add: (d)(4): Three persons who have been designated as local industry leaders, defined as current or former employees of the following:

- a. currently licensed medical cannabis establishments;
- b. currently licensed businesses operating under i-71 “Industry Standards”; and
- c. members of The i-71 Committee, or other like-minded organizations.

Line 810: § 25-2402. New license application for cultivators, manufacturers, microbusinesses, or retailers.

Add: (a)(1) “The Board shall only consider and process applications from owners of medical cannabis establishments, owners of licensed business establishments operating in the i-71 market, and Social Equity Applicants,, as long as they have demonstrated they have followed the “Industry Standards” put forth by The i-71 Committee, in the year following the issuance of final regulations and the establishment of an ABCA-approved seed-to-sale tracking system.

Add: 2. The Board may consider and process applications from owners of currently licensed business establishments on an expedited basis during this time.

Line 1146: § 25-2720. Authorized products and methods of sale.

Original: (a) Except as permitted by the Board, a microbusiness or off-premises retailer shall not be authorized to sell any products or services other than cannabis, cannabis products, or cannabis paraphernalia intended for the storage or use of cannabis or cannabis products.

Add: “i-71 businesses who are transitioning to recreational sales will be allowed to continue operating, without criminal or civil penalty, during the time from which this

Act is passed to when the first wave of recreational licenses are issued, so long as they have presented evidence of adherence to The i-71 Committee's "Industry Standards" to the Board for their approval."

Line 1156: § 25-2721. Delivery of cannabis and cannabis products.

Add: (a) Deliveries shall only be made by the holder of a microbusiness or off-premises retailer's license that has a delivery endorsement, or by their employees, who have been approved by ABCA.

Line 1210: § 25-2802. Revocation or suspension of licenses for violations of this title.

Original: (b) Pursuant to D.C. Code § 25-827, or if the Chief of Police finds that a licensed establishment is diverting cannabis product out of state, selling cannabis or cannabis products to minors, or if the facility is associated with crimes of violence, the Chief of Police may close a cannabis establishment for up to 96 hours.

Add: ...up to 96 hours, after they have presented their evidence to the cannabis Advisory Committee.

Greetings

My name is Kymone Freeman, angry Black man in therapy, and co-founder of We Act Radio who just celebrated our 10th anniversary last week. My pronouns are me / we. I would like to start off by quoting my good friend Chairman Phil Mendelson who spoke at the DC Council breakfast, addressing a recent controversial emergency bill that would have ramped up enforcement against marijuana “gifting” stores.

"I feel very little sympathy for these black market entrepreneurs who are violating the law, what we have is an unregulated market which there is no quality control... probably no taxes being paid. I mean, it's just illegal. I'm not feeling a lot of sympathy there," continues Mendelson.

I would like to ask the Chairman has he tried any cannabis in the unregulated market? Because I can assure you, most of it is of high quality. Thankfully, the draconian enforcement provisions that were originally included have all been removed because of lack of support.

"Now that it is out in the open... On behalf of the Black Delegation I would like to thank the Chairman for his brutal honesty. However, a Grey market is a much more appropriate term to describe marijuana “gifting” stores and their actions amount to a form of modern day civil disobedience to a racist system that at every turn has sought to criminalize and disenfranchise Black people and has done very little to correct the inequity that American apartheid has created.

I wonder if the Chairman patronizes Amazon who also pays \$0 income taxes and in fact the overseers of our DC plantation in Congress who sit on the hill in a building constructed by enslaved Black people are currently planning to provide an unregulated \$10 billion dollar handout of tax payer money to Jeff Bezos for space exploration as part of the defense spending bill. I too, am not feeling a lot of sympathy there.

Now, imagine walking past the DC Jail, where inmates being held on weed charges were forced to live in horrible conditions until White Supremacists that stormed the Capitol, built by their enslaved ancestors, on Jan 6th in a failed coup attempt were held there temporarily and complained about those very same conditions but this time it resulted in inmates being transferred. Imagine walking past this facility of inequity on your way to the National Cannabis Festival held just a few blocks away. Where the nearly 100% Black inmate population could hear Redman and Method Man on stage and possibly smell cannabis in the air being consumed by a diverse audience. Many of them hailing from public housing where the possession or consumption of cannabis is still a criminal offense. While those that own private property are able to exercise their freedoms.

This legislation is a good start to address the big medical weed dispensaries valid issue to serve their patrons who were denied services due to expired medical cards as a result of government gridlock during covid. It is a good start to open up the cannabis industry to those that were originally barred from participating initially. However, it stops short of providing a clear pathway for small businesses in the Grey Market to obtain licenses as I71 compliant vendors so they can participate in the cannabis industry and pay taxes unlike the multi-billion dollar Amazon corporation. It stops short of addressing the continued criminalization of Black people who suffered the most under the racist War on Drugs but it is a good start to begin to apply a racial equity lens to public policy.



November 18, 2021

Testimony of Abdul Muhammad, Ward 4

Support with GEM Amendment Bill 24-118

Dear Chairman Mendelson and members of the Council of DC:

After seeing all the good that has come from i-71 gifting shops in our community, it would simply be tragic to see those who invested and worked tirelessly to manage and run an effective and safe business, lose their stores and their incomes. That's why I'm here in support of the Generational Equity Movement today.

These shops were not naively welcomed by DC residents with open arms. No. These shops proved their worthiness. I-71 gifting shops singlehandedly removed the stigma of cannabis within the district. We have helped build the market. My great-aunt, who is in her early 70s has never once entertained the idea of cannabis use simply on the basis of the stigma attached. It wasn't until she was visiting one of her favorite book stores in the city that she just so happened to walk past an i-71 gifting shop. She said had the shop not appeared to be so inviting and warm, she may have never given cannabis a chance. Present day she now has a favorite bookstore and favorite cannabis store on the same street wear she loves receiving her cannabis tinctures and topical creams.

This is what these shops have done in DC. These shops did what it took to be accepted in the community. They did the ground work. So its not fair to take over a path in which these legitimate business owners have already paved. When you walk into these shops, you see every race. You see the grad student who recently moved here. You see the middle-aged soccer mom. And if you're lucky, you may even meet a celebrity!

The only reason you will find such a diverse demographic is because everyone feels safe. When you come in, you're greeted and your ID is immediately checked. You're offered hand sanitizer and encouraged to social distance. There's nobody at the door with a bulletproof vest on because there's simply no threat. I-71 shops wouldn't jeopardize what they've built just to invite crime to their doorstep. No. These black entrepreneurs want the foundation they've built to be ever standing and passed on for generations to come.

Historically we've read and heard of people with our skin color and social class, be told "Pull yourself up by your bootstraps." What an insult when we clearly had no bootstraps to pull ourselves up with. However today, this opportunity will very well be our bootstraps. We're not asking for reparations. We're not asking for a handout. We're simply asking to be apart of an industry that we've already proven to be able to excel in. And as if the effects of covid wasn't bad enough, it would be a shame if an even more intense economic strain was placed on our communities by doing away with these businesses and all the households they benefit. If you look across the country, no state or city has gotten this right for Black people. I think DC can.

Thank you.

Abdul Muhammad, Ward 4

Amuh6320@gmail.com



November 18, 2021

Testimony of Mackenzie Manns, Ward 1

Support with GEM Amendment Bill 24-118

Good afternoon Chair Mendelson and members of the DC Council:

My name is Mackenzie M. and I'm honored to be a resident in Ward 1 and be talking to you today about cannabis legislation in DC. I moved to DC a year ago after getting my undergraduate and graduate degrees from the University of Alabama - roll tide!

I arrived eager to make my mark in DC, but COVID had put a damper on hiring.

I began working for a gifting shop and my eyes were open. These gifting shops invest in their employees, in their customers, and continue to look out for the community around them. As you consider this cannabis legislation I urge you to consider the fact that this our generations gold rush. With an industry is set to make \$40 billion by 2025, you have the chance right now to literally change generations to come. But only if you allow the millennial entrepreneurs who have been running this market to continue being industry leaders in the recreational market.

This dynamic facing the gifting stores has played out in other places, like Seattle. In 2014, their city council was in the same position you are. Black entrepreneurs were industry leaders in their quasi-legal medical market. But as soon as the market flipped to recreational use those industry leaders were pushed out of the market and now there are zero Black owned cannabis stores in Seattle. Only 3% of the 569 retail sites in Washington State are owned by Black people, despite the law being 10 years old. Ohio tried to bake in equity by requiring 15% of licenses to go to minorities. That was struck down by the courts. Look at Maryland. Their cannabis arrest and incarceration rates are staggering and their diversity attempts for medical cannabis have largely failed. 1 in 10 cannabis investors are Black. The medical market is making \$450 million a year there.

Even just closing down gifting shops will have impacts that reverberate and devastate. If you look on google, there are probably 70-100 stores like the ones I work in. They're all tenants. That's 100 overnight vacancies. As you know, we're in the gifting realm. That has the secondary effect of supporting creative artists and MBEs in DC. We employ a Black web designer, a Black graphic artist, social media specialists and more. Our concepts like face masks, street wear, and beautiful handmade bookmarks are designed and illustrated by Black creatives. And, Black, DC-based MBEs carry out our large scale orders like screen printing masks or embroidering sweatshirts.

You guys can be the FIRST place to give equity and make history by changing generations to come. Pass the Generational Equity Amendment. Millennials, Black entrepreneurs, and DC residents should get a piece of the leaf. Thank you.

Mackenzie Manns mannsmackenzie@gmail.com



November 18, 2021

Thank you Mr. Chairman and the Council for the opportunity to testify today. I am Kim J, a Ward 4 resident. Since the passing of initiative 71 gifting shops in all four quadrants of the city have operated safely and within the parameters set by the law. These grey market shops employ hundreds of Black DC residents that provide for the local community and help stimulate the DC economy.

The closure of these grey market gifting shops will put hundreds of black DC millennial residents out of work in the thick of a global pandemic. After the shutdown of these shops it is estimated that the new legal shops will take up to two years to open. This will in result push the now grey area cannabis market into a grossly illegal underground black market. That move will put lives in danger and potentially increase incarceration rates for a legalized inequitable substance for which black and brown residents of the city are punished. We are 45% of the population and still 80-90% of all cannabis-related arrests. This move just doesn't make sense.

I know there is a focus on equity in this bill. But, if it doesn't include us then it kind of misses the point of equity all together. Let me explain. To be achieved and sustained, equity needs to be thought of at the structural and systems level. Structurally, recreational use is legal. The system is flawed, no doubt, but we're working within it the best we can. We support a better system with licenses and taxes and transparency. We want to be a part of that system and enjoy all the protections it would give us.

But, if the bill as-is passes today, my boss will have to choose between closing her doors for a year or more or staying open and risking the safety of her employees and her future chance at an application because she would be breaking the law.

She can't just close her doors and lay us off. No one wants to get raided or arrested. Even if the application fees are lower for social equity applicants, it costs a lot of money to put together an application. You need a team. A lawyer to help figure out the rules and regs. Someone with technical writing experience who can demonstrate ability and expertise on things like cultivation and safety. Likely an investor group. Marketing to help assemble materials. How is she going to pay for that if she can't stay open?

We have built this recreational market and this future source of tax revenue for the city. That is an accomplishment. Leaving us our today sets us back even further. Please consider the Generational Equity amendment. Thank you.

Kimberly Johnson
KimReneeJohnson@gmail.com



November 18, 2021

Testimony of Isang Udokwere, Ward 4

Support with GEM Amendment Bill 24-118

Dear Chair Mendelson and members of the Committee of the Whole:

My name is Isang - Ward 4 resident, a supporter of gifting shops, this cannabis bill, a digital marketing manager, a musician, but before all of that I am a Black man.

DC was built by black hands. Black blood, sweat and tears. From its inception, the labor of the city's Black population largely served the wealthy white class. It's the oldest American tradition. Black labor for white profit and the disregard for the humanity and equity of the builders.

For the first decade of the 2000s, DC was the most gentrified city in America and remains in the top 13.

Chocolate City. Now at a historical low of less than 47% Black. The city whose iconic go-go music went silent for the first time in my life because of complaints from a new luxury high-rise. The city where the Mecca of Black higher education, Howard University, was the subject of debate for rich white residents who saw it as a place for their dogs to relieve themselves.

And now this. The fingerprints of systemic oppression are all over this. The fingerprints of gentrification, the fingerprints of privilege, the fingerprints of white supremacy are all over this. Gifting shops, many of which are Black-owned are where the majority of the city chooses to go. Forcing them out rather than creating pathways for them blatantly bulldozes a path for wealthy corporations or groups, few of whom are Black and local. We've seen this before all across the country. Black people locked up, shut down, and priced out of a market and industry that they have been keeping alive for years. The numbers are out there. A recent ACLU study reported that in every state, no matter the legal status of cannabis, black people are more likely to be arrested for marijuana despite consuming cannabis at roughly the same rate as white people. The study also showed that those most often prosecuted for cannabis are not same who will profit.

Why do people say gentrification is genocide? Because cultural erasure includes economic erasure. The market has been built and sustained by a Black and local workforce. Cutting these shops out is still Black labor for white profit and the disregard for the humanity and equity of the builders. The builders in this moment are represented by the Generational Equity Movement and we need your support.

Doing anything other than creating an unobstructed path for shops operating within I-71 is no different than the disregard for the Black blood, sweat, and tears - the Black lives that built and continue to sustain our city.

Thank you.

Isang Udokwere

Isang.Udokwere@gmail.com



November 18, 2021

Testimony of Lindsay Black, Ward 7

Support with GEM Amendment Bill 24-118

Peace Mr. Chairman and the Committee of the Whole. My name is Lindsay Black, I currently reside in Ward 7 and have been a DC resident for the last ten years. But I am originally from the Bay Area, California. Although California is “weed-friendly” since Proposition 64 passed in 2016 legalizing the use of recreational marijuana, there are many people from my community, including myself, that can attest to the traumatic experience of having a parent or family member incarcerated due to the criminalization of the flower prior to legalization. As a child, my aunt watched over me and my brother often. I can recall multiple times in my childhood where my dad would come to the house and have a special gift for each of us, never anything too fancy but always something enjoyable. And each time I would watch him leave the house, enter the backseat of a white car and gaze at the flashing red and blue lights on top as they exited the cul-de-sac. I grew to learn that my dad bought us those gifts so we could pass the time in his absence. That experience lives with me every day and quite honestly was incredibly traumatizing.

Fast forward to present day, due to the criteria around past felony charges upheld by the California’s licensing committee amongst many other barriers (including but not limited to high level of taxation and zoning requirements) I’ve never had firsthand experience with seeing Black people within my community have access to the opportunity to build generational wealth with legal ownership in this now multi-billion-dollar industry.

I came to DC and decided to become an educator within the community and built a true friendship with a Black woman who, unbeknownst to both of us, would become one of the owners of the best initiative 71 compliant weed gifting shop in DC in ward 6. People come into the shop feeling safe and secure in knowing that IDs are being checked immediately upon entry and leaving with smiles on their faces from their pencil purchases and cannabis gifts. Having had the experience of watching this transaction happen over and over again has helped tremendously to reverse the trauma I had around gifts and their connection to cannabis developed from seeing my father being criminalized.

The Black entrepreneurs at these award-winning gifting shops have also donated several hundred dollars’ worth of necessary school items to my classroom which I and my students are most grateful for. And it is an amazing feeling to inform my kids that Black women who are DC Natives, just like them, care about their community in such a way that uplifts students and educators. And as a Black woman entrepreneur myself it has been the utmost honor to have partnered with an award-winning gifting shop in events that focus on raising the voices of the community. Their sponsorship even saved my business upwards towards two thousand dollars.

So we ask that you uplift the voices of i-71, minority and millennial cannabis business owners and employees and pass the Generational Equity Amendment. It will positively impact the future of this industry.

Thank you.

Lindsay Black

LindsaySimone@gmail.com



November 18, 2021

The Honorable Phil Mendelson, Chairman
Committee of the Whole
Council of the District of Columbia

Re: Generational Equity Movement Proposed Amendment to Bill 24-118, Comprehensive Cannabis Legalization and Regulation Act of 2021

Dear Chairman Mendelson,

On behalf of the Generational Equity Movement, I write in strong support of Bill 24-118, the overall concept of a fully licensed, taxed, and regulated recreational cannabis market, and in addition, we offer proposed amendment language and concepts to Bill 24-118.

The Generational Equity Movement is DC-based and founded by experienced Black entrepreneurs who strongly support an equitable, safe, and regulated cannabis industry. We count among our members 7 gifting shops and a larger, supportive membership of small business owners and employees who make up a meaningful segment of the local I-71 gifting economy.

Since taking effect in 2015, Initiative 71 has contributed to a flourishing cannabis economy in Washington DC despite the lack of regulatory oversight. That is largely due to the local business owners who have worked hard to expand safe access to cannabis, employ DC residents, and operate within the uncertain confines of the law, aka "the gray."

Due to the passage of I-71 there is an established and growing recreational market for cannabis. We support a pragmatic approach that would provide greater public safety in the transition to a fully regulated market, while ensuring greater equity for Black-owned small businesses and providing ABRA immediate oversight and an additional revenue stream to help offset the costs of the transition.

The amendments create a cannabis business registry which requires the businesses to operate within the confines of the law, limits cannabis sales, and encourages consumer and public safety. The goal of this package of amendments is to increase minority and locally-owned business participation in the cannabis industry, including those with existing industry expertise due to their work within I-71.

1. Representation on the Marijuana Advisory Committee under the Alcoholic Beverage and Cannabis Board established by the bill.

p. 6, line 154:

- *"(14) A person who has experience with cannabis related to Initiative 71"*

2. Exemption for qualifying I-71 cannabis businesses from immediate cannabis sales prohibition.

p. 14, line 287 - 291 *"(a) With the exception of I-71 cannabis businesses registered and approved by ABRA/ABCB, no person shall sell cannabis or cannabis products in the District without having first obtained an appropriate license as required by this title. (b) With the exception of I-71 y*

cannabis businesses registered and approved by ABRA/ABCB, no cultivator or manufacturer located within the District shall offer marijuana or any marijuana products for sale to, or solicit orders for the sale of marijuana or marijuana products from, any person not licensed under this title.”

3. Definition of an I-71 Cannabis Business.

p. 4, line 216 *“(7) An “I-71 Cannabis Business” means an incorporated business or Limited Liability Company prior to the passage of Bill 24-118 for the purpose of participating in the Washington, DC cannabis industry related to Initiative 71, which took effect in 2015.”.*

4. Creation of ABCB I-71 Cannabis Business Registry.

ABRA/ABCB must create and maintain an I-71 Cannabis Business Registry. The purpose of the registry is to support the transition of I-71 Cannabis Businesses to the licensed program while providing greater public health and safety oversight of the existing recreational cannabis industry in Washington, DC.

Only I-71 Cannabis Businesses which meet and maintain the standards to qualify for the registry will be permitted to register with ABRA/ABCB. Approved registrants may continue to cultivate and sell cannabis under the requirements set forth in the qualifying businesses definition.

5. I-71 Cannabis Business which qualify for the ABCB Business Registry:

- Are wholly owned by Washington, DC residents.
- Report monthly sales totals for cannabis to ABRA/ABCB and remit 13% sales tax to be deposited into the Cannabis Equity and Opportunity Fund.
- Follow all federal and local employment law.
- Participate in all required physical plant inspections (fire, health, etc.).
- Employ at least one security guard for all hours of operation.
- Physical plant requirements shall include a two-room, secure environment where cannabis products are not immediately accessible to members of the public.
- Cannabis products for sale must be kept behind a locked door and in locked storage areas.
- Shall not admit any person, other than a person hired to guard the premises pursuant to a security plan filed with the ABRA/ABCA, who is carrying a gun or other weapon.
- Must check identification of all customers. Sales to individuals 21 and under are prohibited.
- Consumption on premises is prohibited.
- Cannabis sales are limited to current equivalent of medical limits.
- Employees are required to undergo a minimum of 4 hours of health and safety training.
- ABRA/ABCB may conduct regular site visits to ensure adherence to requirements for registry qualification.
- Registrations are not transferrable.
- Establishments located within 400 feet of the proximity of a pre-existing public, private, or parochial primary, elementary, or high, or the boundary of a recreation area operated by the District of Columbia Department of Parks and Recreation do not qualify for this registry.
- Secure every entrance to the establishment so that access to areas containing cannabis or cannabis products is restricted to the owner or approved employees.

- Secure inventory and equipment during and after hours to deter and prevent theft of marijuana, marijuana products, and marijuana accessories.
- Hours of sale are 7:00 am – 10:00 pm.

Failure to meet and maintain standards set forth for registry qualification require explicit documentation and if not rectified in a timely manner are ground for immediate expulsion from program.

6. I-71 Cannabis Business Phase-Out.

The I-71 Cannabis Business designation and corresponding ABCB Registry expire on the deadline for the first Washington, DC cannabis license applications.

7. I-71 Cannabis Business Social Equity Inclusion

I-71 Cannabis Business minority business owners would qualify as a Social Equity Applicant for the 50% of licenses required to be allotted to Social Equity Applicants. I-71 Cannabis Business minority business owners would also qualify for the Cannabis Equity and Opportunity Fund to provide loans, grants, and technical assistance to these applicants.

p. 16, line 277 *“(C) An applicant with at least 60% ownership and control by one or more individuals who have owned, partly owned, or been employed by an I-71 Cannabis Business registered with ABCB.”*

8. Expedited Applications

p. 35, line 807 *“(2) The Board may consider and process applications from owners of currently licensed medical marijuana establishments and Social Equity Applicants and/or approved I-71 Cannabis Businesses on an expedited basis during this time.”*

9. ABCB I-71 Cannabis Business Registry Fee

The registration fee for an I-71 Cannabis Business is \$5,000 and non-refundable.

We would be happy to provide additional information and look forward to working with this body as the legislation moves forward.

All the best,
Moir R. Cyphers
MCyphers@compassadvocacy.com
(301) 318-4220



**Statement of Aurélie Mathieu
Assistant Attorney General for Policy and Legislative Affairs
Office of Attorney General for the District of Columbia**

Before the

**Committee of the Whole
Committee on Business and Economic Development
Committee on the Judiciary and Public Safety
The Honorable Phil Mendelson, Chairman
The Honorable Kenyan McDuffie, Chair
The Honorable Charles Allen, Chair**

Public Hearing

on

**Bill 24-0118, the “Comprehensive Cannabis Legalization and Regulation Act
of 2021” and Bill 24-113, the “Medical Cannabis Amendment Act of 2021”**

**Friday, November 19, 2021
9:00 am**

Virtual via Zoom

Greetings Chairman Mendelson, Councilmembers, staff, and residents of the District of Columbia. My name is Aurélie Mathieu and I have the privilege of serving as Assistant Attorney General for Policy and Legislative Affairs at the Office of the Attorney General for the District of Columbia (OAG). I am pleased to appear before the Committee of the Whole, the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety on behalf of Attorney General Karl A. Racine to testify in support of Bill 24-0118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021”

As the Council well knows, in 2014, after District residents voted overwhelmingly in favor of it, the Council passed legislation permitting individuals in the District to possess, grow and use small amounts of cannabis in their homes. However, because the District lacks statehood, Congress has control over how the District spends its own money. And so, after the legislation passed, Congress included in its budget act, and every subsequent budget act, a rider that prevents the District from regulating or further legalizing cannabis.

This Congressional action has prevented the District from regulating the sale of cannabis to ensure the product being sold is safe and transactions are secure; from addressing “gray markets” and protecting public safety; from taxing cannabis sales, depriving the District of an important funding stream; and from creating a cannabis market that is inclusive and remedial to communities that have been hurt the most by the war on drugs. Finally, it appears Congress is poised to pass a budget act that does not include the rider, providing the District with the opportunity to enact a legalization, taxation, and regulatory scheme that reflects the will of our residents.

I commend Chairman Mendelson and his team for the thorough, thoughtful, and comprehensive legislation that incorporates best practices from other states, and for holding this hearing to receive input from community members. I also want to thank Judiciary and Public Safety Chair Allen, Chair Pro Tempore McDuffie, other Councilmembers, and the public; especially, groups that support opportunities for returning citizens for all the work they have done to bring us to this moment.

I want to emphasize that the process of moving forward with the regulation of a new industry is not static. Therefore, the Council must be prepared to swiftly make adjustments as well as to continue to survey the best practices that have been developed in jurisdiction that have already moved forward with a regulatory framework. Together, we can build on this important work so that, when the District finally is able to set up a legalized market for cannabis, the District will be positioned to enact effective legislation that protects public safety and addresses racial inequities.

1. Remediating the injustices stemming from the over-criminalization of cannabis.

Racial disparities in the enforcement of cannabis laws, and the accompanying harms to minority communities, have been well documented, but are often not sufficiently addressed.¹ As we work towards establishing a legal adult recreational market for cannabis, one of our over-arching goals must be to ensure that the communities of color who were most harmed by the War on Drugs have

¹ See, e.g., “*Marijuana’s racist history shows the need for comprehensive drug reform*,” John Hudack, Brookings, June 23, 2020, available at <https://www.brookings.edu/blog/how-we-rise/2020/06/23/marijuanas-racist-history-shows-the-need-for-comprehensive-drug-reform/>

ready access to the plethora of opportunities that a legal recreational regime affords. The system we enact should strive address as many of the traumatic harms that minority communities have suffered because of cannabis prohibition and over-criminalization. Therefore, the primary goals must be (1) reducing barriers to entry for minority-owned businesses, and (2) remedying injustices stemming from the over-criminalization of cannabis. This bill includes important and thoughtful provisions designed to advance these goals.

First, the bill includes a Social Equity Applicant Program, under which at least half of all cannabis-business licenses would be set aside for residents who have been convicted of cannabis-related offenses or have lived ten of the last twenty years in areas with high rates of poverty, unemployment, and cannabis-related arrests. Thirty percent of tax revenues from the sale of cannabis would be deposited into a Cannabis Equity and Opportunity Fund to provide loans, grants, and technical assistance to these applicants, providing real opportunities for those most harmed by past policies to benefit from the now-legal market.

Next, the bill includes a community reinvestment program for communities most impacted by the War on Drugs. Fifty percent of tax revenues from the sale of cannabis would be deposited into a Community Reinvestment Program Fund, which would be used to provide grants to community-based organizations working on economic development, homeless prevention, support for returning citizens, mental health and substance use treatment, and civil legal aid in areas with high levels of gun violence, unemployment, or child poverty. Importantly, those community reinvestment grants would be overseen by a board that includes community members and people who were formerly incarcerated.

The bill also importantly requires the automatic expungement of D.C. Code cannabis-related arrests and convictions, and provides an opportunity for people currently incarcerated for cannabis related offenses to have their sentence modified, vacated, or set aside. The Council should consider adding a deadline for the processing of automatic expungements, as modeled by legislation passed in Virginia and Illinois.² Because expungement is a critical aspect of reform, we should ensure that it is implemented without delay.

The Council also should consider including in the bill provisions for the licensing of consumption spaces. The genuine concerns that neighbors, residents - including seniors - have that legalization will expose them to cannabis smoke in their living spaces, must be heard. This is important, because, while studies show that cannabis use is equally prevalent among Blacks and whites, in the four years after possession of cannabis was legalized in the District, 84 percent of more than 900 people arrested for public consumption in the District were Black.³ If people who live in rental or public housing or who have no permanent housing do not have a legal place to consume cannabis, they disproportionately risk eviction or criminalization for public consumption. The existence of spaces in which it is legal to consume cannabis could help address this inequity.

²<https://www.ilga.gov/legislation/fulltext.asp?DocName=&SessionId=108&GA=101&DocTypeId=HB&DocNum=2734&GAID=15&LegID=118978&SpecSess=&Session=>

³ “D.C. legalized marijuana, but one thing didn’t change: Almost everyone arrested on pot charges is Black,” Paul Schwartzman and John D. Harden, the Washington Post, September 15, 2020.

2. Protecting Public Health, in particular the health of children

Our adult-use cannabis market must be just that—an adult use market. It also must protect public safety by tamping down underground and gray markets and ensuring revenues are used to address some of the potential harms of substance use. This bill includes important provisions to promote public health, protect legitimate markets against un-regulated and untaxed markets, address substance abuse issues, and protect children.

Of course, this bill continues to prohibit the use of cannabis by people under 21 and prohibits the sale of cannabis to people under 21. The bill also prohibits methods of marketing that are geared toward children. For example, advertisements may not include animals, cartoon characters, or other images particularly appealing to children and adolescents; depict someone who is or appears to be under 21 consuming cannabis; or promote excessive consumption. And radio or television advertisements can only run when the audience is mostly adults. The bill also creates a public education campaign, including on the effects and potentials risks associated with each method or cannabis use, the health effects of cannabis use, and responsible use and harm reduction strategies. And it addresses gray markets by setting up licensing and enforcement mechanisms, and clarifying that it is unlawful to give cannabis for free to a person in exchange for their purchasing another item or service or making a donation, or paying a cover charge for a party or event.

3. Continued Developments

Finally, given the nascent nature of the cannabis market, our cannabis policy must be nimble, and capable of adapting effectively to lessons learned here in the District and other jurisdictions, and to ensure we are accomplishing our goal of establishing an inclusive and opportunity-rich cannabis market that protects public safety. To address this need, this bill establishes a Marijuana Advisory Committee that will actively review the development of the industry with a clear eye toward making necessary changes that comport with the best practices that emerge in the laboratories of the states that have already legalized recreational cannabis. It will include my office, and I thank the Council for including the Office of the Attorney General in this important work. Importantly, the Committee also will include people from disproportionately impacted areas of the District, experts in criminal justice reform and racial and economic justice, and the Public Defender Service. I urge the Council to specifically including on the Committee someone who entered the criminal justice system as a result of a cannabis-related offense.

Conclusion

I am grateful to the work of the Council on this issue. The District will be well-situated to implement an effective cannabis regulatory and taxation framework immediately after passage of a budget bill that respects the autonomy of the District on this issue. I believe this bill represents a thoughtful and effective measure to ensure the District's cannabis policy protects public safety, promotes District interests, and meaningfully address decades of racially inequitable cannabis policy and policing. I look forward to working with the Council and all stakeholders to develop ideas to refine the bill, as necessary, as it moves towards passage by this Council. We will continue our review of the legislation and submit additional comments in the pursuit of establishing a robust regulated recreational cannabis market. I appreciate the opportunity to testify in support of this important bill and am happy to answer any questions that members may have.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Alcoholic Beverage Regulation Administration



Testimony of
Fred P. Moosally
Director

PUBLIC HEARING ON
B24-113 - "MEDICAL CANNABIS AMENDMENT ACT OF 2021"
AND
B24-118 – "COMPREHENSIVE CANNABIS LEGALIZATION AND REGULATION ACT OF
2021"

Before the

Committee of the Whole
Chairman Phil Mendelson

&

Committee on Business and Economic Development
The Honorable Kenyan McDuffie, Chairperson

&

Committee on the Judiciary and Public Safety
The Honorable Charles Allen, Chairperson

Friday, November 19, 2021
9:00 AM

Virtual Meeting Platform
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairman Mendelson, Chairperson McDuffie, Chairperson Allen, members of Council staff, and members of the public. My name is Fred Moosally, and I am the Director of the Alcoholic Beverage Regulation Administration (ABRA). I would like to thank the three Committee Chairs for holding a hearing on these important pieces of legislation. The current lack of a regulatory system for adult cannabis sales in the District has proven to be both unworkable and detrimental to the public health and safety of District residents and visitors. Our agency looks forward to working collaboratively with the Council on this cannabis legislation to make the District a model for other jurisdictions to follow as we benefit District residents.

I am here today to testify in support of Bill 24-113, the “Medical Cannabis Amendment Act of 2021” (Medical Cannabis bill). Our agency also supports Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021” (Adult Cannabis bill) with some changes.

First, I would like to thank the Mayor for transmitting the Medical Cannabis bill to the Council that makes several important changes to the District’s medical cannabis program. Our agency supports the Medical Cannabis bill as introduced; therefore I will spend much of my time discussing the Adult Cannabis bill.



My comments today regarding the Adult Cannabis bill fall into six substantive categories which are: (1) social equity; (2) combatting the illegal market; (3) maintaining a strong medical cannabis program; (4) cannabis business operations; (5) the application process; and (6) proposed agency operations. Our agency looks forward to following-up separately with the three Committees regarding our proposed technical changes to the Adult Cannabis bill.

1. Social Equity

First, when discussing social equity, it is critical that returning citizens and individuals arrested for cannabis and other drug offenses be permitted to own and work at cannabis businesses. It is also critical that there be clear objective criteria regarding which convictions serve as a bar to ownership as well as for what length of time. The Council recognized this earlier this year when it adopted the Medical Cannabis Emergency Amendment Act of 2021 that allowed all returning citizens with convictions for cannabis and other drug offenses to work at and own cannabis businesses. This Council-adopted legislation serves as a model for criminal background criteria. Our agency recommends that this same language be adopted as the criteria for issuing an adult cannabis license. ABRA strongly believes that



returning citizens with a previous felony conviction should not be prohibited from working at a cannabis business.

It is also imperative that social equity applicants have immediate access to loans and grants. Last month, through Council funding, the Department of Small and Local Business Development's (DSLBD) Innovation and Equitable Development division successfully launched the "Just Cannabusiness" program to create a more equitable cannabis industry by providing financial and technical assistance to social equity applicants. ABRA is happy to partner with DSLBD on this important initiative. Our agency supports keeping this loan and grant authority for social equity applicants housed with DSLBD. The "Just Cannabusiness" program would benefit greatly from annual funding from the proposed Cannabis Equity and Opportunity Fund as the current funding level of \$300,000 is not sufficient in light of the millions of dollars that are necessary to start and operate a cannabis business. In providing grants and loans to social equity applicants, our agency also recommends that a cap be placed on an applicant's net worth to be eligible. The current draft of the Bill would allow qualifying multi-millionaires to be eligible for grants and loans.

The operation of medical cannabis delivery in the District has demonstrated the need to create a third-party delivery license. Similar to Massachusetts, a third-party



delivery license provides a great opportunity for social equity applicants to enter the adult cannabis and medical cannabis markets. To accomplish this, a third-party delivery license could be limited to social equity applicants for the first two years.

ABRA also supports the Adult Cannabis bill reinvesting 50 percent of the collected sales tax into the community, including to address urgent needs such as job placement and training, educational services, and workforce development. Of note, the pandemic has highlighted the racial and social disparities that currently exist in the District and elsewhere. Rather than wait a year or more to disperse these funds and navigate a number of potential conflict of interest challenges, our agency believes the better approach is to fund these priorities largely through existing programs at current District agencies that can more quickly get funding issued for these priorities.

Our agency supports reducing the licensing fees for a social equity applicant. However, our agency recommends that a social equity applicant be entitled to a reduced fee for the first five years rather than for an indefinite period of time. The five-year period matches the period of time that a social equity applicant cannot transfer their license without penalty.



2. Combatting the Illegal Market

Second, in addition to licensing adult cannabis sales, it is imperative that the Bill take additional steps to help curtail the illegal market. To help combat the illegal cannabis market, the District also needs to legalize and regulate CBD and hemp. Specifically, an April 28, 2021 opinion from the Office of the Attorney General makes clear that notwithstanding Federal legislation, CBD and hemp remain illegal in the District of Columbia. The current lack of regulation in this area has resulted in the expanded operation of illegal businesses in the District selling untested CBD that in some instances is higher-level THC cannabis. New York serves as a model of how CBD could be regulated in the District.

To compete with and help eliminate the illegal market, off-premises retailers will also need to be competitive in the quantities and amenities that they can offer to customers. The Adult Cannabis bill would limit customers to purchasing one ounce of usable cannabis flower in a day even though it is legal for individuals to possess two ounces of usable cannabis flower. As the District seeks to eliminate the illegal market, customers should be encouraged to purchase their legal possession limit from the legal market. Along these lines, our agency recommends that customers be permitted to purchase two ounces of usable cannabis flower in a day.



The Adult Cannabis Bill also prohibits the delivery of cannabis to licensed businesses, including hotels. To compete with and help eliminate the illegal market, legal cannabis delivery is critical and off-premises retailers will need to be able to deliver cannabis to businesses, where permitted, including hotels. Additionally, from a policy perspective, the delivery of cannabis to guests of hotels rooms, is likely to reduce the possibility of impaired driving in the District. Anti-smoking laws continue to apply in the District, and hotels remain free to ban smoking in all rooms, so we anticipate that deliveries of edibles and non-combustible cannabis to hotels would be a popular option with visitors.

3. Ensuring a Strong Medical Cannabis Program

Third, it is imperative that incentives be put in place to maintain a strong medical cannabis program. States that have failed to do so have seen both medical cannabis patient enrollment and sales decrease dramatically. Along these lines, our agency supports utilizing a portion of the sales tax from adult cannabis sales to phase out and eliminate the six percent sales tax on medical cannabis and medical cannabis products. This will serve as an incentive for qualifying patients to stay in the medical cannabis program and continue to see a healthcare provider.



Additionally, a patient card of two years or more is needed to help attract patients into the medical cannabis program. Of note, the medical cannabis program thrived for the first eleven months of FY 2021 as a result of the expired deadline for patient cards being extended due to the Covid-19 pandemic. It is worth noting that many other states offer a two-year medical cannabis card.

To support a strong medical cannabis program, the Adult Cannabis bill should also be amended to require off-premises retailers that are also serving as dispensaries to obtain a medical cannabis endorsement. This will allow our agency and the public to know which cannabis businesses are selling and delivering medical cannabis to qualifying patients and properly licensed businesses. Our agency has no objection to not charging medical cannabis off-premises retailers for this endorsement.

Finally, ABRA supports allowing cannabis businesses to be able to take tax deductions that are disallowed by IRS Code Section 280E. This change would benefit both existing medical cannabis businesses and prospective adult cannabis businesses.



4. Cannabis Business Operations

Fourth, our agency believes that several changes to the Adult Cannabis bill are needed that relate to cannabis business operations. To start, ABRA recommends that the bill be amended to delete the requirement that all licensed cannabis establishments submit a public space plan. The potential impact of cannabis businesses on specific neighborhoods, including traffic and parking, will be covered by ANCs, community organizations, and members of the public, as part of the 45-day public comment period. Concerns and changes on the issues of traffic and parking can and will often be addressed and memorialized in settlement agreements reached by the parties.

The Adult Cannabis bill should also be amended to create a manager's license and require that a manager or owner be on-duty during the hours that cannabis is being sold by an off-premises retailer. The requirement of having a licensed manager on-duty is currently required for all off-premises alcohol retailers.

The Adult Cannabis bill also does not include requirements for the disposal of waste. Cannabis waste is currently disposed of by the Metropolitan Police Department. The



bill should clarify that licensed businesses can compost or incinerate medical cannabis waste.

Additionally, the bill should be amended to allow off-premises retailers and microbusinesses to sell T-Shirts and other products and not limit off-premises retailers and microbusinesses to only sell cannabis and cannabis products. This change will help to promote creative and innovative business models in the District.

Our agency also supports modifying the bill's prohibition on a licensed off-premises retailer or microbusiness giving away free cannabis products as part of a promotional giveaway when advancing some other important public policy goal. Specifically, our agency has no issue with customers receiving free cannabis products in exchange for receiving a COVID-19 vaccine.

Furthermore, the Adult Cannabis bill should be amended to clarify that notwithstanding any other District law, regulation, or procedure, a properly labeled beverage containing THC may be placed in a can or bottle. Specifically, in light of the dangers of second-hand cannabis smoke, the District should allow for the consumption of cannabis through methods other than smoking.



5. Application Process

Fifth, our agency believes that several changes are needed to the proposed application process contained in the Adult Cannabis bill. To start, applications for the first year should be limited to social equity applicants. Existing medical cannabis businesses should be permitted to apply to opt in and be approved for adult cannabis sales at their current locations. The Adult Cannabis bill does not currently prevent existing medical cannabis businesses from applying for additional licenses at new locations during the first year.

Additionally, the current Adult Cannabis bill would allow existing medical cannabis cultivation centers and dispensaries to pay a lower licensing fee as a result of adding adult cannabis sales. The current annual fee for medical cannabis dispensaries is \$16,000. The current annual fee for cultivation centers is \$11,000. The Adult Cannabis bill proposes to allow existing dispensaries and cultivation centers to sell cannabis for both medical and adult use for \$7,000 annually. There is no need for such a cut. As drafted, the Adult Cannabis bill purports to allow existing medical cannabis businesses to cut their annual fees by thousands of dollars by agreeing to have adult cannabis sales. At a minimum, the annual fee for existing medical cannabis businesses should be \$12,000 annually. Similar to alcohol licenses, the



Adult Cannabis bill should establish the minimum annual fee to be charged for each license category. Providing the Board this authority would also ensure that different tiers of cultivation center licenses are not charged the same annual fee. Huge growers should have larger license fees than smaller gardens.

The Adult Cannabis bill should also be amended to create a substantial change application process similar to the one that exists for alcohol licensees to allow cannabis businesses to request changes to their business, such as changing their hours of operation or expanding their licensed premises.

Finally, the Adult Cannabis bill should be amended to prohibit adult cannabis sales in the District until a licensed testing laboratory is operational in the District.

6. Proposed Agency Operations

Sixth, the Adult Cannabis bill in its current form would hurt our agency's ability to operate and be a model jurisdiction. Of note, there is no dedicated funding in the bill to support ABRA, or under the new name, ABCA, the Alcoholic Beverage and Cannabis Administration, because all of the collected licensing fees are proposed to go into the Cannabis Equity and Opportunity Fund and the General Fund. ABRA's



ability to thrive as a multiple award winning independent agency stems from its ability to be self-sufficient with its own O-type revenue stream. Along these lines, it is imperative that our agency be able to retain all collected licensing fees in a revolving O-type fund. Our agency has no issue with collected fine monies going to the General Fund. Our agency supports funding the Cannabis Equity and Opportunity Fund from 30 percent or more of the collected sales taxes.

Additionally, the bill should be amended to provide the Board with broad rulemaking authority to issue rules on a number of areas not covered by the bill. These areas include but are not limited to: (1) how cannabis may be transported by cannabis businesses throughout the supply chain; (2) what happens when a cannabis product fails testing, including whether remediation is permitted; (3) establishing and implementing warning sign requirements; (4) clarifying the security requirements that a cannabis business must have in place to operate; and (5) whether gifts are permitted from cultivation centers to off-premises retailers. Similar to the medical cannabis program, the Board should also have the authority to propose rules to change customer purchasing limits.

Finally, our agency supports the creation of a Cannabis Advisory Committee to assist the Board with the specific and comprehensive task of drafting the initial adult



cannabis regulations. Rather than indefinite or three-year terms, our agency supports keeping the Cannabis Advisory Committee in place for 18 months or until the initial adult cannabis regulations are approved by the Council.

Thank you for allowing me to speak on these important pieces of legislation. I am available to respond to the Committee's questions.



November 19, 2021

The Honorable Phil Mendelson, Chairman, Committee of the Whole
The Honorable Kenyan McDuffie, Chairman, Committee on Business and Economic
Development
John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004

Greetings Chairman Mendelson and Chairman McDuffie,

My name is Megan McFarlane, representing Holistic Industries, a licensed medical marijuana company whose roots began here, in the District of Columbia, after winning its first business license in 2012. Since its inception, the company has grown into a multi-state operator with cultivation centers and dispensaries around the country.

No one is more aware of the sharp decline of patients in the medical marijuana program than licensed businesses such as Holistic Industries. The market is strained enough that the risk of its collapse has become increasingly real. It is imperative that patient enrollment increases in order to salvage the medical market, and we are happy to see legislation and provisions come forth that aim to remedy this issue. The following testimony consists of recommendations to accomplish this goal.

Holistic Industries would like to express their support of B24-113, The Medical Cannabis Amendment Act of 2021. The introduction of this measure clearly demonstrates the Council's continued support to ensure patient rights to access medical cannabis. The addition of several important amendments would further help the continued success of the medical cannabis program.

1. The bill should include the right for medical cannabis patients to self-attest in order to obtain a medical cannabis card. Patients would sign an affidavit at the dispensary verifying that they are purchasing cannabis for medical purposes, and licensed dispensaries can work with ABRA to determine the logistics of patient information collection and tracking, fees, etc., but this will facilitate a more efficient process, especially for the elderly and infirm populations. Furthermore, with the ease of enrollment, it will discourage patients from seeking the illegal market to purchase products.
2. A second priority for this bill is civil enforcement for illegal businesses operating under the incorrect claim of being "i71 compliant". As Council is aware, there has been gross misinterpretation pertaining to Initiative 71, which does not provide for any type of cannabis business. The intention of i71 was to allow DC residents to grow, consume, and share small quantities of cannabis within their own home. The current illegal market is misrepresenting these permissions and it has resulted in an estimated illegal market of

\$600m, largely selling cannabis procured from out of state. The recommendation is to impose civil infractions, first introduced by Chairman Mendelson's office on 10/28/2021, targeting illegal business operations and their landlords. It's important to note that these actions would not send any individuals to jail, would only result in fines and the revocation of basic business licenses, and would not prohibit these illegal business owners from applying for a medical or recreational cannabis license through ABRA in the future.

3. A third recommendation for this bill is to add an amendment granting the legal medical operators the ability to deduct ordinary and necessary business expenses on their District of Columbia tax return, effective for 2021 tax filings. Federal tax code 280E does not provide for tax deductions other than cost of goods sold, even in states with legal medical or recreational programs. California, Oregon, and Colorado have begun providing these deductions at a state and local level for their legal licensed operators in recent years.
4. Finally, this bill would provide an additional 8 dispensary licenses. ABRA's 3rd Emergency Rulemaking issued November 10, 2021, would provide for an additional 6 cultivation licenses. We would like to recommend that a market study is performed by ABRA to determine increased demand before these licenses are made open for application.

Thank you,

Megan McFarlane
Policy Associate, Holistic Industries

I am a resident and business owner in ward 7. I would like to present an outline of a proposal for social equity programs for economically disadvantaged citizens and citizens disproportionately affected by the war on drugs in the implementation of adult use/recreational marijuana legislation.

I would like to express my ideas to key stakeholders as legislation is developed around the topic. I have seen legislation that will be proposed by members of the council and feel that it is insufficient in addressing the needs of black and brown entrepreneurs and returning citizens . I do agree with parts of the measure but feel that the proposed implementations of the law is not economically inclusive.

I own a small produce business in the district and have worked as a DOH licensed cannabis grower at Holistic Industries and I have worked in the past as the general manager of a licensed dispensary in the District. I have a particular interest in speaking with your office based on the committees stances on government transparency, economic development east of the river, and jobs for our most vulnerable residents.

An outline of my proposal is below. This has been circulated throughout the council and EOM since January 2019.

Equity Program Proposal

It is imperative legislation is drafted to ensure access and inclusion into the DC marijuana economy for economically disadvantaged residents disproportionately affected by the war on drugs. The outcomes of an equity program will lead to greater ethnic diversity in the industry , class balance throughout the city , and right the wrongs of policies that harmed black and brown communities disproportionately..

Proposed Items:

- All new licenses to operate medical and recreational marijuana cultivation centers and dispensaries issued exclusively to equity applicants for two years.**
- Application preference in the license of dispensaries and cultivation centers to equity applicants.**
- City investment to distribute funds to DSLBD/SBA/Community Based Organizations to provide no interest loans for equity applicants for start up capital.**
- Government subsidy for fees associated with ABRA/ DOH/DCRA business licensing, employment applications and background checks for citizens meeting equity requirements.**
- Legal Support in the areas of ownership, contracts, licensing, permitting, banking (when available), compliance audits, zoning, and taxation.**

-City website/ position/ office created to clarify the laws and address regulations specific to commercial marijuana cultivation centers and dispensaries.

-City position/ office created to ensure swift permitting and code inspection specific to marijuana dispensaries and cultivation centers.

Proposed Qualifications for Equity applicants
(must meet 3 of 5 qualifications)

- **Residents making less than 80% of the median income of Washington DC**
- **City residents who reside in designated "high crime areas" .**
- **Residents who reside in wards 7 or 8 for 10 of the last 20 years.**
- **Convicted of a non violent cannabis related crime in Washington DC before the passage of i71**
- **Lost housing in Washington DC after Jan. 1,2000 due to eviction, foreclosure or subsidy cancelation.**

I would like to discuss each point with you and explain how racial and economic disparities are being widened in the cannabis industry if the government does not properly regulate the industry and empower the communities that were most harmed by America's war on drugs. I can be available to discuss my ideas at your earliest opportunity.

I sincerely admire the work being done in your office and wish you the best in your continued efforts to improve life in Washington DC.

Respectfully,

Bryan Jackson



November 19, 2021

District of Columbia Council
Committee of the Whole
Committee on Business and Economic Development
Committee on the Judiciary and Public Safety
1350 Pennsylvania Avenue NW
Washington, D.C. 20004

Re: Written Testimony for Public Hearing, November 19, 2021 – Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021”

I am Solomon Keene, President & CEO of the Hotel Association of Washington, D.C., a trade association representing the interests of hotels in the District of Columbia with over 90 plus members. I am submitting this letter regarding Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021.” This bill seeks to establish a regulatory scheme to license and regulate the cultivation, production and retail sale of recreational cannabis in the District. While the Association does not take a position on the legalization of cannabis in the District, there are certain provisions in the bill, as currently drafted, that we support and urge to remain in the bill.

As drafted, the bill currently prohibits the delivery of cannabis products to hotels. HAWDC and its members support this provision. It is essential to ensure that the delivery of cannabis products be restricted to residential addresses and require the retailer to verify that the delivery address is indeed a residential property.

As currently drafted, Section 5(b) of the bill allows for property owners to prohibit guests, clients, lessees, customers, and visitors from using cannabis products on their properties. It is vital that businesses maintain the right to prohibit cannabis use on their properties. Currently, hotels are allowed to ban smoking on their properties, and our members want the ability to extend that prohibition to cannabis use. It is very costly to remove the smell of marijuana from upholstery and carpeting. Many guests do not want to stay in a room that smells like marijuana. Hotels should not have to bear the costs of removing the smell after guests check out. Preventing cannabis use on property is essential to providing positive guest experiences.

HAWDC also supports the current provisions in the bill that allows for drug testing of employees, when appropriate. Employers should be allowed to have zero-tolerance drug policies and discipline or fire employees if they are under the influence of drugs at work,

especially in customer service related positions. Restricting our members' abilities to drug test would threaten the safety of hotel workers and the guests they serve.

The above-referenced provisions in the proposed bill would allow our members to continue to have the tools that will assist their employees in providing positive customer service experiences for guests that will in turn leave them wanting to return to our wonderful city many times over. We urge you to keep these provisions in the proposed legislation. Thank you for your attention to this matter and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Solomon Keene, Jr.', with a stylized flourish at the end.

Solomon Keene, Jr.
President & CEO
Hotel Association of Washington, D.C.

Committee of the Whole (Council)

From: Forest Hayward <royalredevelopmentllc@gmail.com>
Sent: Friday, November 19, 2021 12:55 PM
To: Committee of the Whole (Council)
Subject: Transcript

Over 30 years ago I along with many of the others that have prospered in the cannabis industry were labeled super predators by politicians. See, the game of life was not fair for myself and many others. We were the product of a nation that didn't want us or even want to understand us, but now I sit here as a man that overcame the obstacles of the streets and I have found my way. What so many of you ostracized and have called bad, but the whole time you were smoking in back rooms has now provided a way for us to not only provide for our families but also for our communities. I saw in the bill you wanted to impose fines on us and even penalize the property owners that are willing to work with us and allow us store fronts and even places to vend and have pop ups. I understand that many of you, like the police commissioner, look at pop ups and storefront shops as the reason that the crime has risen, but I must look at each one of you and tell you that you are wrong. Everyone of us has had run-ins with your police force. Some of us have had items and money taken to never be returned, spent time in jail to have charges dropped, but you want to label us as criminals and use the police and other tactics in an attempt to bully and scare us. I come to you to ask you to include us and not exclude us. Allow us a fair change to provide for our families and communities. Ask the police to work with us to protect us and our events and our stores if you want to cut down on crime. The criminals target venders because they understand that the police don't work to help protect us. We are not your enemies, we are willing to work with you if you're willing to work with us. We are not out here killing our communities with heroin, crack, molly, or any other drugs that have destroyed not only the black communities, but now is threatening suburban communities around the nation. I use California as an example. They have shops that you can go into, but they also have events that have armed security. Can both markets thrive and survive, yes. All we are asking for is a fair chance on a level playing field to generate revenue for our families and our communities. At a time when the nation is moving toward more inclusion, it astonishes me that you all are selecting exclusion.

--

Forest T Hayward
C.E.O
Royal Redevelopment LLC
Royalredevelopmentllc@gmail.com
Rebuilding Our Communities One Plot at a time

Addition to The Comprehensive Cannabis Legalization and Regulation Act of 2021

Section XXX-XX, Legacy Gifting Vendors

(a) The intent of this section is to provide businesses, currently operating under the “Initiative 71” concept of “gifting” cannabis with another transaction, a path to a fully legal, licensed, cannabis business status.

(b) A Legacy Gifting Vendor must have been fully compliant with the Department of Consumer and Regulatory Affairs (DCRA) for all business regulations, aside from cannabis, 90 days before the enactment of this legislation. New businesses and businesses not already licensed and permitted by DCRA are not eligible for Legacy Gifting Vendor status.

(c) To request Legacy Gifting Vendor status, a DC-based business must notify the Department of Consumer and Regulatory Affairs within 14 days of this legislation’s enactment of a desire to be categorized as a Legacy Gifting Vendor.

(1) Businesses desiring to be designated a Legacy Gifting Vendor shall complete the contact form at <https://dcra.kustomer.help/contact/contactus-SkowCOjX8> and choosing “Business Licensing” as the “Assistance with” drop-down menu choice and completing all requested information.

(2) The Department of Consumer and Regulatory Affairs will ensure the applicant was, on the date 90 days before the enactment of this legislation, otherwise licensed and permitted by the Department. The names of businesses meeting the criteria will be forwarded to the Alcoholic Beverage and Cannabis Board.

(3) Businesses that do not meet the Department of Consumer and Regulatory Affairs criteria will be notified of the denial within five business days of submission of the business’s request. Such businesses shall immediately stop all cannabis activity.

(d) Businesses designated as a Legacy Gifting Vendor may continue to temporarily operate their business selling a product or service and sharing up to 2 ounces of cannabis.

(1) The Legacy Gifting Vendor must sell a product or service other than cannabis.

(2) The Legacy Gifting Vendor must disclose, to the Alcoholic Beverage and Cannabis Board, the source of its cannabis.

(3) Legacy Gifting Vendors may only share cannabis grown in Washington DC, so long as federal law does not permit interstate commerce for cannabis.

(4) Legacy Gifting Vendors must adhere to the same packaging, labeling, testing, and advertising requirements as regulated medical cannabis dispensaries in the District.

(e) Once cannabis regulations are implemented and applications for cannabis businesses are accepted, Legacy Gift Vendors must submit a completed application within 45 days of the

license application window or commencement of applications being accepted, or by a date as determined by the Alcoholic Beverage and Cannabis Board during their regulatory process.

(f) Without a Legacy Gifting Vendor designation, no person or entity may share cannabis in conjunction or connection with any other transaction. The Alcoholic Beverage and Cannabis Board shall forfeit a Legacy Gifting Vendor's designation for any of the following reasons:

- (1) Sharing any cannabis or cannabis product not grown and manufactured in the District of Columbia, while the federal prohibition on cannabis interstate commerce remains.
- (2) Not submitting an application for a cannabis license within the timeframe specified herein or by the Alcoholic Beverage and Cannabis Board.
- (3) Having a cannabis license application denied by the Alcoholic Beverage and Cannabis Board.
- (4) Not being in compliance with regulations set forth by the Department of Consumer and Regulatory Affairs.

(g) The Legacy Gifting Vendor program will cease 18 months after enactment of this legislation. Businesses that have not successfully made the transition to the fully regulated status at that time, no matter the reason, will no longer be able to share or gift cannabis.

(h) The Alcoholic Beverage and Cannabis Board will monitor and oversee businesses within the Legacy Gifting Vendor program in a similar manner as the Board provides oversight of current medical cannabis entities.

(i) Persons, who are employees of businesses who prior to the enactment of this legislation claimed to be "Initiative 71 compliant" businesses, and who were charged with cannabis charges due to their employment, shall have their charges rescinded.

(j) Enforcement against unregistered "Initiative 71" businesses and persons may begin no sooner than 15 days after the enactment of this legislation.

Shutting down the I-71 businesses will not solve the medical programs challenges, rather, it will move the i-71 market from some rules to NO rules.

The Case:

Improving the medical program by shutting down the i-71 operations, raiding, arresting and punishing local DC residents who have been working in the i-71 market is incongruent with the social equity goals outlined in the Cannabis Legalization and Regulation Act of 2021. It is also an outdated and ineffective approach to building a successful medical and legal adult use market. Rather than vilifying the i-71 operations, we can partner with them to learn from their successes. Pitting these two markets against each other will not yield our shared goals. Instead, it creates a false dichotomy wherein the belief is that the medical program cannot be successful if the i-71 shops are in business.

These programs have and can continue to co-exist and thrive if policies are developed to encourage both markets. It is clear from the success of i-71 that there is a substantial operating market for adult use in DC with no shortage of potential customers.

Addressing Customer Loss in the Medical Program:

Successful organizations approach failures by learning from what went wrong to improve future performance rather than villainizing competitors for their success. Successful organizations ask, "What happened?", not, "Who did it?"

There are many reasons why medical lost half of their customers and rather than point the finger, the medical program can use this as an opportunity to take advantage of the insights we have gained over the last seven years on the unique DC customer trends, needs and habits from the success of the i-71 market and use it to improve their business.

Technically, both I-71 businesses and the DC medical program are federally illegal however, both markets have been co-existing for the same last seven years in DC, yet one is thriving, and one is not. In every state, the legal market is unable to compete with the legacy market. California's market is 80% unregulated, 20% legal/regulated.

It appears to be a presumption that the loss of six thousand medical registrants were picked up by i-71 retailers. Maryland medical dispensaries have reciprocity and the six thousand DC medical customers who did not re-register, may have been shopping in Maryland. If the claim is going to be made, data should be presented proving that. It also presumes that those lost customers were not already shopping with i-71; many medical registrant's cross shop.

Within the last seven years, six medical dispensaries have opened and an estimated 70, i-71 shops are open today. Research shows that six dispensaries cannot supply the demand for adult users in DC, nor can home grow. I-71 is filling that gap/need. It is estimated that 18+% or almost 200,000 of DC residents obtain and use cannabis regularly mostly through the i-71 market. Medical is now at six thousand. **Approximately 97% of DC customers chose not to shop at one of the six medical dispensaries.** The existing medical market can not supply the demand of DC customers. If you shut down i-71, **WHERE** and **HOW** will people obtain their cannabis?

Shutting down i-71 does not advance or correct issues withing the medical program.

Addressing the misconceptions that I-71 operators are the "bad guys":

The i-71 grey market thrives because like other successful business, it is doing something right. I-71 shops are staples in their communities and offer a safe, welcoming and positive environment. The idea that i-71 is full of bad actors is a bias and is the result of miseducation as these businesses employ DC residents, local artists, entrepreneurs and innovators, community members and is a safer and more convenient alternative to operating from cars, homes and public spaces, as we had to do 10 years ago.

Police Chief Conte has drawn a relationship between cannabis and the increase in crime. How did he come to this conclusion? Do we have statistics that crime is taking place at i-71 shops at higher rates than similar businesses? Or are these shops already located in areas they already experience high crime rates? Is the crime claimed due to "cannabis" or the fact that DC uses inconsistent enforcement, provides no operating standards for businesses to abide by while at the same time allowing and encouraging these businesses to exist. To solve the problem, we must be real about what the problem actually is.

For example: DC Harvest, an organic farm to table restaurant on H street was broken into and burglarized three times in 10 weeks - their liquor was stolen. On that same block, there are a handful of i-71 shops as well as independent operators who put tables on the sidewalks and sell cannabis. Some of those i-71 shops have been raided but the tables with sidewalk sales, remain. Was that uptick in crime at DC harvest caused by liquor?

Most, if not all i-71 retailers are legally compliant businesses in good standing. DCRA has issued them active certificates of occupancies, business licenses, clean hands certifications, they pay sales taxes, employ DC residents, hire security, hold commercial leases, and comply by not selling cannabis but gifting it for free. I-71 was/is seen as a pathway for legacy operators to become more legal and legitimate. If they are illegal and offer no value, why has this been allowed to “flourish” for years? If i-71 shops were to be a pathway to legality and legitimacy, why are we punishing them?

There are no standard operating guidelines, so every shop does things differently which has created a market riddled with operational and enforcement inconsistencies. Yet, the market continues to thrive.

Shutting down the i-71 market will not guarantee an increase in medical registrants nor will it eliminate the i-71 market. It will MOVE the existing i-71 market completely underground. Forcing businesses out of their retail space is regressing from some rules to NO rules. The market WILL continue but from homes, cars, public space, bringing/shipping across state lines, growing more than what is allowed, and DC will no longer collect sales taxes. Shutting down i-71 is a continuation of the war on drugs and will damage the lives of hundreds of DC resident, putting them out of work, jail or prison and eliminating safe spaces to obtain cannabis.

I-71 businesses may be less likely to report a crime because in doing so, they can implicate themselves and others.

What we can learn and do better:

For medical, an alternative to placing blame on the i-71 operators, is to apply the principals used in other successful businesses to the current situation to improve performance. Diagnosing the issue with a structured, reasonable and methodical approach by consistently reporting failures, small and large; systematically analyzing them; and proactively searching for opportunities to experiment and improve.

For adult use, we can learn from the i-71 market and from the successes and failure in other states. Oakland, California is one of the only municipalities who has seen success in achieving their social equity goals. This is due to their inclusion and transition of the legacy market. We know that all states have failed in achieving social equity, as white men continue to dominate and obtain licensure. Transitioning the legacy market, will make or break the success of DC’s cannabis marketplaces.

Not only is it in the benefit of the medical program to set higher operational and performance expectations for themselves and adapt their approach to reaching their goals but, there are also many other important things at stake if it is chosen to shut down i-71.

Get it right DC; transition from legacy to legal:

Nationally, organizations are swiftly increasing their diversity and inclusion efforts. They now realize that it is the right things to do, and it is good for business. National players in the cannabis industry have also taken to the front lines to push for D&I in the legal adult use market. Individuals like Dasheeda Dawson, Vladimir Bautista, Steven Dangelo and Roz Mcarthy have all been the voice for transitioning from legacy to legal and amnesty their respective states. While the idea of transitioning legacy operators to legal may seem scary and uncomfortable for some people, it is an idea that is becoming louder, more understood and supported. If DC does not transition legacy to legal, DC’s medical and legal adult use, will fail. We have the market we want, how do we keep it? Illinois has seen 1 billion dollars in cannabis revenue, not one dollar from a black retailer. The legal market is competing against the legacy market, which dominates statewide and is valued at over \$4 billion. DC’s estimated i-71 value is over 400 million. We have a unique opportunity to get it right.

We are learning that the question is not how we eliminate the legacy/ i-71 market, instead, what is the healthiest and most effective way to co-exist with it, while promoting and incentivizing a pathway to legality?

People will continue to buy, sell, gift and use cannabis at the same rate or higher, with or without obtaining it at a physical i-71 retail shop. Prohibiting the operations from taking place at a physical retail shop will simply move those same operations underground.

California’s attempts to shut down the “illegal shops” clearly did not stop the operation, it just **MOVED IT**. The failures by adult use states had been their inability to TRANSITION from legacy to legal.

What you think it will do:

- Increase medical registration
- Decrease crime
- Eliminate illegal sales of cannabis

What it will actually do

- Push the visible market, underground. The sale of cannabis will still happen, it just won't happen at a physical retail store. Every heard of whack a mole?
- DC will lose millions of dollars in sales tax revenue
- Put hundreds of DC residents out of work
- Increase crime, now people will be selling from their cars, homes and making them more vulnerable to crime.
- Make it harder for DC residents to obtain cannabis safely
- Punish the same people who are the future of cannabis in DC
- Institute war on drugs tactics when we are putting forth legislation to repair the harm done by the WOD
- Go from some regulated, to no regulation, no one will be "gifting" from their car – they will sell it
- Increase the "sale" of cannabis as opposed to free gift.

How does DC allow a grey market to exist while the Andy Harris rider is still active? Push back on medicals pressure and hold them accountable for their business. Work and collaborate with the i-71 market and experts in the industry to create a simple and informed transition plan.

Collaborate to create a plan to TRANSITION LEGACY TO LEGAL:

"Transitional Permit" a temporary certificate issued by DCRA to legacy operators who register and complete application for proof of compliance. Serves as a conditional agreement that businesses will meet compliance and safety standards and DC will allow them to transition to the legal market.

DC Action Items:

- Hold landlords accountable for renting space for unlicensed pop-ups and unlicensed retailers
- Enforce public sales (Ex: H St. NE)
- Consider community agreements
- Create and operate a TESTING facility

Legacy Operators

- Get into basic business compliance
 - EIN
 - BBL
 - COO
 - Clean hands
 - Proof of sales tax payments/local tax
- Institute additional guidelines
 - Submit and implement a security plan
 - No lines outside obstructing the sidewalk
 - Must check for 21 and over
 - Complete Managers ABRA Cert
 - Advertising guidelines
 - Can't display gifts - cannot promote the free gifts.
 - Can't say it cures anything
 - Must say not tested
 - Must say "not for sale"
 - Meet and greet with local officer
 - Begin preparing for application
 - Create and submit safety plan

December 2, 2021

Office of Chairman Phil Mendelson
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 2004

Re: Support for Amendments to Bill No. B-24-0118
Comprehensive Cannabis Legalization and Regulation Act of 2021

Dear Chairman Mendelson:

Greenwich Biosciences ("GW," a part of Jazz Pharmaceuticals) submits this public comment letter in support of amendments to the Comprehensive Cannabis Legalization and Regulation Act of 2021 (the Act), Bill No. B-24-0118.

I. GW & Innovation in Cannabinoid Pharmaceutical Therapies

GW is the first and only company to have brought a cannabis-derived pharmaceutical grade therapy through the drug review and approval process of the FDA. FDA-approved GW's Epidiolex® (cannabidiol) oral solution in 2018 for the treatment of seizures associated with two rare diseases, Lennox-Gastaut Syndrome (LGS) and Dravet Syndrome (Dravet); in 2020, FDA also approved Epidiolex for the treatment of seizures associated with tuberous sclerosis complex (TSC).

Since our founding in 1998, GW has been focused exclusively on unlocking the potential of cannabinoids as medicines to address serious medical conditions with limited treatment options. As a result of GW's long-term involvement in cannabinoid research, we have a deep understanding of the promise that patients and their families see in cannabis-based medicines to treat intractable illnesses. In the last 23 years, GW has conducted over 50 placebo-controlled trials and over 100 preclinical studies. In total, nearly 8,000 patients have participated in GW's high-quality clinical trials around the world, and we have collected 139,000 years of patient safety data.

GW's research with cannabis-derived medicines goes far beyond FDA's approval of Epidiolex. GW also developed nabiximols (branded name Sativex® outside the United States), a botanical drug product containing a complex mixture of THC- and CBD-rich extracts as well as other plant constituents including related cannabinoid and non-cannabinoid components. Nabiximols is licensed and approved for marketing in Canada, the United Kingdom, parts of the European Union, and more than 20 other countries for the treatment of spasticity due to multiple sclerosis. We are currently conducting a drug development program with nabiximols and intend to seek FDA approval for the same indication. GW has also previously conducted 19 studies with nabiximols in various pain types.

In addition to our ongoing clinical trials and work with Epidiolex and nabiximols, GW has Phase I, II, and III programs studying cannabis preparations in many serious conditions that are important to patients, including autism, post-traumatic stress disorder (PTSD), schizophrenia, and neonatal hypoxic ischemic encephalopathy (NHIE). There is significant potential in the cannabis plant to treat serious illnesses. In the interest of improving the lives of the patients we serve, GW remains committed to continued investment in research and development that will unlock the full therapeutic potential of cannabis and cannabis-derived compounds.

II. Ensuring Timely Access to FDA-Approved Cannabinoid Pharmaceuticals

We are writing in support of proposed amendments to the Act to facilitate patient access to cannabinoid-derived pharmaceutical products. The amendments will enable patient access to critical cannabinoid-derived pharmaceutical products treating serious medical conditions.

Prescription drugs that are approved by the federal Food and Drug Administration (FDA) should be excluded from the definition of "cannabis" in D.C. Code §48.901.02(3) and scheduled by the Director of the Department of Health pursuant to the process established in D.C. Code §48.902.01(a), rather than automatically classified with consumer products available for sale without medical supervision.

The amendment to Section 4(a) will draw a necessary distinction between prescription drugs and consumer products by proposing amendments to the definition of "cannabis" as shown in the underlined and bold language:

Section 102 (D.C. Official Code § 48-901.02) is amended as follows:

(1) Paragraph (3) is amended as follows:

(A) Subparagraph (A) is amended by striking the phrase “whether growing or not” and inserting the phrase “whether growing or not, and whether in edible form or not” in its place.

(B) Subparagraph (B) is amended by striking the phrase “form such resin” and inserting the phrase “from such resin, whether in edible form or not” in its place.

(C) A new subparagraph (C) is added to read as follows: “(C) Any prescription drug that is approved by the federal Food and Drug Administration shall be excluded from the definition of marijuana. Such drug product shall be designated, rescheduled, or deleted as a controlled substance pursuant to the procedures in § 48–902.01.”

The proposed amendment will allow FDA-approved cannabinoid prescribed drugs to be treated like other prescription drugs and scheduled according to the process provided in the D.C. Code.

III. FDA-approved Cannabinoid Drugs Should Be Excluded From the Act Like Hemp Products and Other Prescription Drugs

In the Act, hemp-derived products have been excluded from regulation in §25-2102(c). Cannabinoid prescription drugs that are comprehensively regulated and controlled by the FDA should not be subject to the requirements for consumer products pursuant to the Act, just as hemp-derived products have been exempted from it.

The language of the Act in proposed D.C. Code §25-2102(c) should be amended so that cannabinoid prescription drugs are treated like any other prescription drugs, rather than subjected to another layer of regulations intended to govern consumer products.

To allow prescription drugs to be excluded from the Act similar to hemp products, we support the amendment of proposed §25-2102(c) as shown in the underlined and bold language below.

“(c) This Act shall not be construed to regulate or include hemp plants and hemp 304 products as the Agriculture Improvement Act of 2018 legalized industrial hemp under Federal law [Public Law No.: 115-334] **or prescription drugs containing cannabis that are approved by the Food and Drug Administration pursuant to the Federal Food, Drug, and Cosmetic Act [Public Law No.: 75-717].**

Patients suffering from serious medical conditions need access to safe and effective prescription medication in a timely manner. The exciting potential in cannabinoid therapies is only just beginning to be understood. These simple amendments to the Act will ensure there are no unintended consequences to regulating cannabis consumer products and will serve to promote access to cannabinoid prescription drugs.

Please contact me if you have any questions or require additional information. Thank you for your consideration.

Kay Doyle
Director, U.S. Public Policy & Public Affairs
Jazz Pharmaceuticals
Mobile: 508-918-5830
kay.doyle@jazzpharma.com

MY CANNASTORY

My name is Ariadna Mondragon. I am an activist, business woman, and a mother. I have lived, worked, and paid taxes in this country for almost 14 years. I wanted to share a little about my cannabis journey, my case, and how to support.

Since my early teens I have battled cyst and fibroids. My situation was so bad that my doctor was not sure if I was going to be able to have children. I was put through a treatment and was prescribed a number of pharmaceuticals which had a number of adverse side effects like fatigue, depression, anxiety, suicidal thoughts, mood swings, nausea, loss of appetite, that then led to gastritis and other stomach issues, just to name a few. After 8 years of treatment, my situation got so bad that I ended up in the hospital for intensive care in 2015. Months later I obtained my DC medical marijuana card, that is when my cannabis journey began. Since then, I have experienced a full recovery, my fibroids and cysts are gone, and I just celebrated my daughter's first birthday this past July.

In August 2019, my brother-in-law fell victim to gun violence back in Mexico. Devastated, my husband and I flew to Mexico to attend his funeral and help my sister pick up the pieces of her now shattered life. It was one of the most difficult experiences that my family has had to endure. Following the funeral, upon my arrival to the US, at Dulles International Airport, my passport was scanned but was flagged in the system. TSA immediately escorted me back into a holding room, where I was detained for six hours, and was stripped of my telephone. I was told, "This is Immigration; you have no rights here." For hours I sat, without being informed of the reason that I had been detained. Finally, as I was being interrogated, I explained that this had all stemmed from a possession charge in Virginia from the year before. The case had been cleared, there was no arrest, I paid my fine, and eventually Virginia legalized marijuana. They did not believe me and insisted that I was lying. In order to process me out, they had to fill out a litany of paperwork, which required them to list my charges. When they could not seem to locate my exact charge within the system, they decided to equate it to a DUI (Driving Under the Influence) and Assault in 2nd Degree. I refused to sign. Before my release, they confiscated my Permanent Green Card and Mexican Passport, and issued me a notice to return to the airport for further investigation and review.

It's been three years since that experience, and I continue to receive inaccurate information by immigration in an attempt to disorient me, which we all know too well that this is one of their tactics to have immigrants expeditiously deported. The fear of deportation looming over me everyday, it has drastically affected my mental and physical health. I can't imagine being ripped away from my daughter, my businesses, or my life. I am being severely penalized for a case that I have already paid penance for and that has been cleared.

Now, I sit here waiting in limbo for a new court date, since my last one on Wednesday September 8th, 2021 was rescheduled (again) with no future date at all. I continue to organize around immigration, equality, cannabis reform, and empowerment of black and brown communities. I co-founded an organization called Dia de los Muertos DC, our mission is to create community-building events to support and fundraise for various social causes affecting black and brown communities. We have supported nonprofits like The Young Center for Immigrant Children's Rights, a champion for the rights and best interests of unaccompanied immigrant children coming to the U.S, and Rostros Sabios, De mi Corazón a Tu Corazón, a program dedicated to providing childcare, as well as educational, nutritional and medical services for the children of working mothers in Mexico.

WHY AUTOMATIC EXPUNGEMENT??

Because if it's not automatic and it's a process that we have to do, it implies, days off from work or taking pto for it, childcare, taking the time to find good representation, finding the money to pay for it, and it turns into a never ending cycle of nothing. If you already know that it is unfair and AUTOMATIC expungements are needed, then why not just do a true automatic expungement process that has the power to change millions of lives for the better, that will bring freedom to others, what are we waiting for??

AE could help millions of Americans gain access to housing, education, employment, and other rights they lost as a result of marijuana prohibition.

We need the expungement process to be AUTOMATIC. Automatic by definition - *c : done or produced as if by machine : mechanical the answers were automatic. 2 : having a self-acting.*

Sealed records don't help anybody.

For more information on how you can support or assist, please email me at removethepoint1@gmail.com.

Respectfully,

Ariadna "Ary" Mondragon

Activist | Business Woman | Wife | Mother

(202)744-5497

removethepoint1@gmail.com

Comprehensive Cannabis Legalization and Regulation Act of 2021, Bill 24-118

**Before the Committee of the Whole
The Honorable Phil Mendelson, Chairman
&
The Committee on Business and Economic Development
The Honorable Kenyan McDuffie, Chairman
&
The Committee on the Judiciary & Public Safety
The Honorable Charles Allen, Chairperson**

December 1, 2021



**Comments by Elissa F. Borges
Assistant General Counsel
Office of Tax and Revenue**

**Dr. Fitzroy Lee
Acting Chief Financial Officer
Office of the Chief Financial Officer
Government of the District of Columbia**

Thank you for the opportunity to provide comments on behalf of the Office of the Chief Financial Officer (OCFO) on Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021.”

The stated purpose of this bill is to legalize and regulate the cultivation, production, and sale of recreational marijuana in the District of Columbia. The bill proposes to make substantial amendments to Title 25 (Alcoholic Beverages) of the D.C. Official Code. The bill also proposes to amend District law regarding the taxation of the sale of recreational and medical marijuana and marijuana products, as well as the businesses that are licensed to engage in the cultivation and production of such products.

With regard to the tax provisions, the bill proposes to enact a new Chapter 30 within Title 25 comprised of three sections. These comments are limited to the proposed new provisions, as well as some additional technical and conforming changes that the OCFO’s Office of Tax and Revenue (OTR) recommends. As discussed below, OTR recommends that the tax provisions be enacted through targeted amendments to the District’s existing tax laws codified in Title 47 to achieve greater consistency in the law and for administrability of the provisions, rather than enacted through a new Chapter in Title 25.

- **Section 25-3001 (Sales Tax)**

The new Section 25-3001 seeks to impose a new sales tax on the gross receipts from the sales of, or charges for, retail marijuana or retail marijuana products and for the sale of medical marijuana and medical marijuana products.

OTR recommends utilizing District’s existing sales tax law structure for taxation of marijuana and marijuana products. This structure, codified in D.C. Official Code § 47-2002(a), imposes “upon all vendors for the privilege of selling at retail certain tangible personal property

and for the privilege of selling certain selected services (defined as ‘retail sale’ and ‘sale at retail’ in this chapter).” Accordingly, a retail sale of marijuana in the District, even if unlicensed or even illegal, is currently subject to the District’s sales tax at the rate of 6 percent. Further, D.C. Official Code § 47-2002(a)(7)(A) expressly imposes a 6 percent tax on the gross receipts from the sales of or charges for medical marijuana.

Accordingly, OTR proposes that D.C. Official Code § 47-2002(a)(7)(A) be amended to impose the sales tax on the retail sale of marijuana and marijuana products at the rate of 13 percent and to clarify that the rate of tax on the sale of medical marijuana (and medical marijuana products) will remain at 6 percent. This will clarify that the sales tax which the bill seeks to impose is not an additional sales tax on top of the existing sales tax imposed under Chapter 20 of Title 47. Further, continuing to impose the existing sales tax on the sale of marijuana, albeit at a new rate of 13 percent for recreational marijuana, will provide clarity to taxpayers regarding their rights and obligations to report and collect sales taxes pursuant to Chapter 20 of Title 47.

OTR also proposes technical and conforming changes to the District sales tax on marijuana. Specifically, D.C. Official Code § 47-2001 should be amended to define “marijuana,” “marijuana product,” “medical marijuana,” “medical marijuana product” to clarify exactly what is subject to the District sales tax and at what rate. Likewise, D.C. Official Code § 47-2005(14) should be amended to clarify that any marijuana or marijuana product, including any medical marijuana or medical marijuana product, are excluded from the sales tax exemption for sales of medicines, pharmaceuticals, and drugs. OTR also recommends that the bill include amendments to the District’s compensating use tax laws imposed under Chapter 22 of the Title 47 to conform with the proposed changes to the District’s sales tax laws.

- **Section 25-3002 (Franchise and Income Tax)**

The proposed new Section 25-3002 seeks to clarify that “[l]icensees shall be subject to the applicable income taxes pursuant to Chapter 18 of Title 47” and permits licensees to take certain deductions currently prohibited under both the Internal Revenue Code and District law. The new Section 25-3002 further mandates the manner and form of the income tax return which OTR must accept with regard such deductions.

However, this new section is incomplete and conflicts with the District’s franchise tax and income tax laws codified in Chapter 18 of Title 47 of the D.C. Official Code. Under current District law, a *franchise* tax is levied on the taxable income of all corporations, financial institutions, and unincorporated business engaging in any trade or business within the District under D.C. Official Code §§ 47-1807.02 and 47-1808.03. Additionally, an *income* tax is levied on the taxable income of resident individuals, trusts, and estates under D.C. Official Code §§ 47-1806.03 and Section 47-1809.03. Further, the deductions that taxpayers are allowed are set forth in D.C. Official Code § 47-1803.03.

Rather than enacting a new statute, OTR proposes that D.C. Official Code § 47-1803.03 be amended to state that, notwithstanding current law, expenses allowed under District law are generally subject to the same limitations provided in the Internal Revenue Code. Taxpayers will be allowed a deduction for any amount paid or incurred during the taxable year in carrying on any trade or business that is disallowed under section 280E of the Internal Revenue Code of 1986.¹

¹ Section 280E of the Internal Revenue Code of 1986 provides that “[n]o deduction or credit shall be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted.”

With regard to the franchise tax or income tax a taxpayer engaged in the marijuana business must file and pay, OTR is already authorized under D.C. Official Code § 47-1805.01 to prescribe the manner and form of such returns. To the extent that new forms or schedules are needed to account for the expenses not claimed on the taxpayer's federal return, OTR has the administrative capability to develop such forms based on its existing authority and expertise.

- **Section 25-3003 (Revenue Dedication)**

The new Section 25-3003 dedicates funds obtained from initial marijuana licensing and permitting fees and from the sales taxes imposed on recreational marijuana and recreational marijuana products and from the sale of medical marijuana and medical marijuana products. All funds collected by ABRA for the initial marijuana licensing and permitting fees are to be dedicated to the Cannabis Equity and Opportunity Fund established in D.C. Official Code § 22-2105. With regard to the sales tax revenue, 80 percent of the proceeds from the sales tax collected by OTR from the sale of medical marijuana and medical marijuana products are, unless otherwise dedicated by law, to be dedicated as follows: 30 percent to the Cannabis Equity and Opportunity Fund established under D.C. Official Code § 25-2104; 50 percent to the Community Reinvestment Program Fund established under D.C. Official Code § 25-2108; with the remaining 20 percent deposited into the General Fund.

However, pursuant to D.C. Official Code § 47-2002(a)(7)(B), the proceeds from the sales tax on medical marijuana are currently dedicated to the Healthy DC and Health Care Expansion Fund established by D.C. Official Code § 31-3514.02. OTR suggests that D.C. Official Code § 47-2002(a)(7)(B) be amended to reflect the new dedication of the sales tax to the Cannabis Equity and Opportunity Fund and the Community Reinvestment Program Fund.

To aid in your review of the bill, a copy of the bill with OTR's suggested changes and the suggested changes to relevant tax statutes under Title 47 are attached.

Comprehensive Cannabis Legalization and Regulation Act of 2021

[tax provisions start at Line 1358]

(j) A new Chapter 30 is added to read as follows:

CHAPTER 30. ~~TAXES AND~~ REVENUES.

~~“§ 25 3001. Imposition and collection of taxes.~~

~~“(a)(1) A tax is imposed upon all vendors for the privilege of selling retail marijuana and marijuana products. The rate of such tax shall be 13% of the gross receipts from sales or charges for retail marijuana or marijuana products.~~

~~“(2) For medical marijuana and medical marijuana products, the rate of such tax shall be 6% of the gross receipts from sales or charges.~~

~~“(b) The taxes imposed in subsection (a) shall be collected by the off premises retailer from the purchaser on all sales of retail marijuana or marijuana products.”.~~

~~“§ 25 3002. Income taxes and tax exemptions.~~

~~“(a) Licensees shall be subject to applicable income taxes pursuant to Chapter 18 of Title 47.~~

~~“(b) For License carriers engaged in the commercial cannabis supply chain of cultivation, manufacturing, and off premises retail, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, as defined in D.C. Official Code § 47-1803.03(a). Any business expenses allowed under this paragraph shall be subject to the same limitations as provided for the Internal Revenue Code of 1986; however, a licensed cannabis business shall be allowed, for the purposes of District taxes, any federal income tax deduction that is disallowed by Internal Revenue Code §280E. This deduction shall be available for all corporations, including limited liability corporations (LLCs)~~

~~and sole proprietors established as corporations. The Office of Tax and Revenue shall accept a federal pro forma return that includes business expenses and calculate District of Columbia income tax liability using the pro forma return. “(e) Deductions prescribed in D.C. Official Code § 47-1803.03(d) shall not be allowed under this Chapter.”.~~

“§ 25-~~3003~~3001. Revenues.

“(a) All funds obtained from initial marijuana licensing and permitting fees shall be deposited into the Cannabis Equity and Opportunity Fund established in D.C. Official Code § 22-2105.

“(b) All funds obtained from renewal of marijuana licenses and permits, and penalties and fines, shall be deposited into the General Fund of the District of Columbia.

~~——“(c) Except as provided in D.C. Official Code §§ 25-2104 and 25-2108, all funds obtained from the tax imposed under D.C. Official Code § 25-3001 shall be deposited into the General Fund of the District of Columbia.”.~~

Sec. 3. Title 47 of the District of Columbia Official Code is amended as follows:

(a) Chapter 18 is amended as follows:

(1) Section 47-1803.03 is amended as follows:

(A) Paragraph (a)(1) is amended by striking the phrase “Any business expenses allowed under this paragraph shall be subject to the same limitations as provided for in the Internal Revenue Code of 1986” and inserting the phrase “Any business expenses allowed under this paragraph shall be subject to the same limitations as provided for in the Internal Revenue Code of 1986; however, for tax years beginning after December 31, 2022, any business licensed under chapter 21 of Title 25 of the District of Columbia Official Code shall be allowed a deduction for any amount paid or incurred during the taxable year in carrying on any trade or

business that is disallowed under section 280E of the Internal Revenue Code of 1986” in its place.

(A) A new paragraph (b-6) is added to read as follows:

“(b-6) [Deduction Allowed – Expenditures in connection with the sale of marijuana.] For taxable years beginning after December 31, 2022, any individual, estate, or trust licensed under chapter 21 of Title 25 of the District of Columbia Official Code shall be allowed a deduction for any amount paid or incurred by that individual, estate, or trust during the taxable year in carrying on any trade or business that is disallowed under section 280E of the Internal Revenue Code of 1986” in its place.”

(b) Chapter 20 is amended as follows:

(1) Section 47-2001 is amended by adding a new subsection (g-5) that reads as follows:

“(g-5) (1) “Marijuana” shall have the same meaning as defined in § 25-2101(15).

“(2) “Marijuana product” means a product derived from or composed of marijuana, in part or in whole.

“(3) “Medical marijuana” shall have the same meaning as § 7–1671.01(12).

“(4) “Medical marijuana product” shall have the same meaning as § 7–1671.01(12A).

(2) Section 47-2002(a)(7) is amended to read as follows:

“(7)(A)The rate of tax shall be 13% of the gross receipts from the sale of or charges for all marijuana and marijuana products except that the rate of tax shall be 6% of the gross receipts from the sale of or charges for medical marijuana and medical marijuana products.

“(B) The 80% of proceeds of the tax collected under subparagraph (A) of this paragraph, including any penalties or interest thereon, shall be deposited as follows:

“(i) 30% to the Cannabis Equity and Opportunity Fund established under § 25-2104; and

“(ii) 50% to the Community Reinvestment Program Fund established under § 25-2108.”

(2) Section 47-2005 is amended as follows:

(A) Paragraph (14) is amended to read as follows:

“(14) Sales of medicines, pharmaceuticals, and drugs whether or not made on prescriptions of duly licensed physicians and surgeons and general and special practitioners of the healing art; except that this exemption shall not apply to the sale of any marijuana or marijuana product including any medical marijuana or medical marijuana product;”

(c) Chapter 22 is amended as follows:

(1) Section 47-2201(j) is amended by striking the word ““Mayor,” “and inserting the phrase “Mayor,” “marijuana,” “marijuana product,” “medical marijuana,” “medical marijuana product,” in its place.

(2) Section 47-2202 is amended by adding a new paragraph (6) to read as follows:

“(6)(A)The rate of tax shall be 13% of the gross receipts from the sale of or charges for all marijuana and marijuana products except that the rate of tax shall be 6% of the gross receipts from the sale of or charges for medical marijuana and medical marijuana products.

“(B) The 80% of proceeds of the tax, collected under subparagraph (A) of this paragraph, including any penalties or interest thereon, shall be deposited as follows:

“(i) 30% to the Cannabis Equity and Opportunity Fund

established under § 25-2104; and

“(ii) 50% to the Community Reinvestment Program Fund

established under § 25-2108.”

(d) This section shall apply as of October 1, 2023.



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December 3, 2021

Chairman Phil Mendelson
District of Columbia Council
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

RE: Comprehensive Cannabis Legalization and Regulation Act of 2021

Dear Chairman Mendelson:

Our Association submits this letter for the public record related to bill 24-118 Comprehensive Cannabis Legalization and Regulation Act of 2021. Specifically, we have concerns regarding the clarity of the language in Section 8 entitled "Employment and legal cannabis use."

When an employee acts within the scope of his/her employment, the employer is legally responsible for the acts of the employee through the legal theory of respondeat superior. In this role, the employer assumes the responsibility for the risk and liability caused by actions of the employee (regardless of whether an employee is impaired or not). These actions by the employee can lead to an injury to a third party. In a legal claim brought by the third party against the employee, the employer is also responsible for the damages. This responsibility extends to the employer regardless of whether the employer had or should have had direct knowledge of the employee's negligent actions. There may also be additional claims against an employer if the employer had prior knowledge of prior negligent acts or activities and the employer took no action.

The language in Section 8 should be modified to clarify that it does not create a statutory claim related to the employee's actions nor a defense for the employer. As is already the current practice, each claim brought by a third party related to an employee's actions is evaluated based on the conduct of the employee. This claim would not rest solely on drug test results, but incorporate the details of the actions, the relevant environment, and many other factors specific to the event. A third party injured by the employee can bring a claim and detail the specifics of the events and details that preceded the injury. The language of the pending legislation needs clarity that this practice does not change the common law as to negligence claims against the employee or the employer nor do the defenses of the employer change.

This clarity would remove the misinterpretation that the language in the pending legislation is intended to shield the employer from responsibility for the injury caused

to a third party by an employee. Eliminating the employer's responsibility when an employee is impaired is not in the public interest as this could cause an employer to look the other way; therefore, there should be no shield for employer.

Specifically, our proposed language change is as follows:

Section 8: (d) Nothing in this title shall be construed to create a statutory ~~or imply~~ a cause of action for any person against an employer for:

(3) Injury, loss, or liability to a third party if the employer neither knew nor had reason to know that the employee was impaired ~~nor should it be construed to eliminate any common law cause of action otherwise available under the laws of the District of Columbia; or~~ -

(4) ~~Be construed to create a safe harbor for the employer or provide immunity for the employer from suit.~~

Respectfully yours,
Trial Lawyers Association of Metropolitan Washington, DC

/s/ W. Charles Meltmar
W. Charles Meltmar
President

/s/ Christopher T. Nace
Christopher T. Nace
Chair, Legislative Committee

November 31, 2021

**Committee of the Whole
Committee on Business and Economic Development
Committee on Judiciary and Public Safety**

Hearing on Bill 24-113 Medical Cannabis Amendment Act of 2021, and Bill 24-118, the Comprehensive Cannabis-Legalization and Regulation Act of 2021

The Cannabis Industry growing pains

I have worked to leverage technology to address both industry and regulatory hurdles that present significant risk to the success of cannabis market formalization. Unlike most industries in the United States the cannabis industry has not embraced digital technology. Most businesses in today's more mature markets conduct transactions electronically. The data from these transactions are used to better understand market risks, to regulate better, to better understand industry conditions, and to predict industry performance more accurately.

The cannabis industry operates in almost completely in an analog fashion. Due to the analog nature of the industry, state officials find forecasting sales trends and taxable revenue projections extremely difficult because state officials do not have historical data to make informed decisions – thereby presenting huge budgetary risk. Further, the lack of transaction data increases the risk of outside influence, heightens the risk of diversion, provides cover for money laundering, and establishes a platform for tax and fee evasion. Historically, the revenues from liquor and gambling industries have been extremely volatile and difficult to predict, even when the taxes and in these industries have been around for decades.ⁱ Forecasting taxable revenue has consistently been a problem in the cannabis industry because each state has its own unique drivers of demand.

For example, in Nevada's first six months of collecting marijuana taxes, revenue came in 40 percent higher than budget officials expected, but in neighboring California the revenue was 45 percent below projections in the first six months of collecting marijuana taxes.ⁱⁱ And with more states considering legalizing marijuana, forecasting, and budgeting difficulties for revenue from recreational marijuana taxes are likely to become widespread. The biggest obstacle in projecting market performance (and thereby taxable income) is the both the influence of the black market and the lack of reliable data. This was evident in Colorado and Washington, the first two states to begin legal marijuana sales in 2014. The industry presents unique challenges to revenue forecasters, who have historical data on sales and excise taxes for other goods over the business cycle. To date, the historical results from the states with an approved recreational program suggest that the initial years may be the most volatile as supply tries to meet demand.

These forecasting challenges have real consequences for states that are projecting taxable revenue. If tax collections come in below forecasted amounts, for example, programs that are funded by these dollars could suffer. Below we list the questions that state officials and regulators have a tough time understanding about demand in the cannabis industry.

- How many people use legal recreational marijuana and how will demand change?
- How will the price for recreational marijuana fluctuate?
- How will the market develop for cultivators, manufacturers, and retailers?
- How will tourism and cross-border sales affect revenue?
- Will revenue growth slow over time?ⁱⁱⁱ

How many people use legal recreational marijuana and how will demand change?

Recreational cannabis products have diversified beyond the raw, cut plant to include oils, extracts, and edibles— the popularity of which has varied by state. In Washington state, for example, ^{iv}consumption has shifted toward extracts, but Colorado has seen rapid growth in concentrates and edibles. ^v Just as forecasters consider changing demands for beer, wine, and spirits when projecting revenue from alcohol taxes, they are trying to do so with marijuana. But given how new these products are, analysts have little available data with which to gauge trends.

Another challenging calculation is how quickly consumers will transition from the black market to the legal one. Forecasters note that legal market prices tend to be higher because licensed businesses must pay taxes, fees, and the cost of testing to ensure consumer safety. The California Cannabis Advisory Committee, for example, found that the state's legal marijuana market does not present an attractive alternative to the black market, in large part due to higher prices. ^{vi} Not knowing how to account for the competition with the illegal market may be one reason California's legal market has yet to reach revenue expectations. ^{vii} Another challenge is estimating a potential transition from the untaxed medical market. In Colorado, state officials thought most medical users would switch to the legal recreational market. They found that the reverse was true: at least initially, recreational users bought medical marijuana instead, likely to avoid the taxes on recreational products. ^{viii}

How will the price for recreational marijuana fluctuate?

Since most states that collect taxes on recreational marijuana set tax rates based on the price of the drug, understanding how much it sells for is critical when forecasting revenue. States that were among the earliest to legalize marijuana were particularly disadvantaged when it came to forecasting prices, while later-adopting states had the advantage of being able to examine the earlier states' data. Colorado, one of the first states to legalize the drug, used medical marijuana prices as an approximation of what recreational products would cost in the legal market; California heard from early-adopting states that prices tend to spike at the start when supply is scarce, then gradually decline as more products become available. ^{ix} One challenge for forecasters is determining whether this trend will continue and, if so, how far prices will drop and how quickly they will stabilize. Price changes, in turn, affect tax revenue. When prices fall, for example, state revenue will shrink unless there is an offsetting boost in sales. Research on how price changes influence demand for marijuana is still developing.

How will the market develop for cultivators, manufacturers, and retailers?

In Colorado, the state's economist acknowledged that one of his biggest miscalculations when preparing his first few forecasts was underestimating the amount of time the market would take to run smoothly, including how quickly businesses would be licensed and operating. ^x In Alaska, state officials, noted that his state did not consider that it takes three to four months for seeds to mature.

The chief economist with California's Department of Finance, said it took time for local governments to put necessary regulations in place and license businesses. The state of Oregon was swamped with applications from potential marijuana producers, which created a bottleneck.

How will tourism and cross-border sales affect revenue?

Other complications when trying to gauge collections are competition from neighboring states and the slice of revenue generated by visitors. In tourism-heavy Alaska and Nevada, sightseers contribute to surging recreational marijuana sales. Alaska's capital, Juneau, welcomes multiple cruise ships each day and has three recreational marijuana stores. Colorado's officials noted that their state didn't anticipate much competition across state borders because the region's large cities are spread out and neighboring states are unlikely to legalize. On the other hand, Oregon and Washington have competing markets, especially because Washington's retail operations were up and running first. States such as Massachusetts and Vermont may also need to consider cross-border issues.

Will taxable revenue growth slow over time?

Excise tax collections from marijuana have been booming in the five states with available data. In Washington, marijuana accounted for more revenue (\$361 million) than liquor (\$314 million) or cigarettes (\$357 million) in fiscal year 2018.²In Alaska, revenue spiked from \$2 million to \$11 million in a single year.

All five states saw a strong early boost in tax collections. However, forecasters expect this growth to slow, as early indications show in Colorado and Washington. Growth is high at the start and then declines steeply. To avoid projecting unrealistically high long-term growth, Colorado's Silbaugh has built an assumption into the state's forecasting model that revenue will not continue to rise at past rates.

Our Solution to the current challenges in the market.

Over the last two years we have developed the Upstream Exchange. The Upstream Exchange is certified business enterprise headquartered in Washington, DC and is 100% minority owned by district residents. The Upstream Exchange was born out of a need to improve the efficiency, streamline the supply chain, and provide transparency in the licensed cannabis wholesale marketplace. Traditionally, business to business transactions happen in an analog hand-shake fashion leading to missed opportunities, inaccurate transaction data, manipulated markets, and an overall highly inefficient business experience for both the wholesaler and retailer.

The Upstream Exchange improves the B2B cannabis experience by creating a centralized e-commerce environment where members can buy/sell cannabis, concentrates, infused products, and industry accessories efficiently to other members in the state. Additionally, licensed operators can connect with ancillary suppliers providing packaging, delivery, software, accessories, and other products and services. Finally, without sharing specific data, the Upstream Exchange captures and analyzes market activity to provide the business owner and regulators with true aggregated data that improves decision making and answering all the questions listed above.

In the City Council bill there is language that highlights the need for a wholesale purchasing system like the Upstream Exchange. For city officials to benefit from the data captured by the exchange the city would need to require all license cultivators and dispensaries to conduct all wholesale transactions on the exchange. Doing so improves regulatory capability, stabilizes the market, and fosters managed growth.

In a typical transaction on the exchange. A buyer would log on to our site. He or she would go out and shop the license cultivator's product for sale. The buyer and seller connect via the exchange and agree to the transaction terms. Once agreed, the transaction is executed in accordance with the terms – all tracked by the Upstream Exchange. Transactional data is recorded for use by regulators. Licensed operators have access to aggregated data only.

The Upstream exchange captures every buy sell transaction that takes place in the cannabis wholesale market. The data captured by the exchange would significantly improve the forecasting ability of city planners. It would also give city officials and licensed operators reliable transaction data information in real time. The exchange could also collect taxes and licensing fees for the city as well. We believe that the Upstream exchange would digitize the cannabis industry one transaction at a time. METRC, the current seed to sale inventory system, does not give city officials any financial information or transaction term data and is thereby an incomplete tool. Over time, the exchange would become a repository of data about the

industry that should help city officials regulate and forecast more effectively while also preventing any collusion or cross border sales in the market. Earlier when describing the current problems in the industry we mentioned that forecasting and planning is challenging due to the lack of historical data in the cannabis industry. The Upstream Exchange will generate data about the industry that the city currently does not have at the wholesale instead of the retail level. We would give the software to the city at no cost.

Below is an excerpt from Chairman Mendelson’s bill that highlights the need for the wholesale purchasing system that is consistent with our software. The section referenced in Chapter 27 on page 42.

“§ 25-2707(b) which reads as follows:

“In addition to a seed-to-sale tracking system in subsection (a), the Board may, through rulemaking, require all licenses to utilize a wholesale purchasing system for wholesale buying and selling of marijuana and marijuana products.”

Conclusion

The difficulty in forecasting revenue is compounded by the fact that states have only recently begun to understand the recreational marijuana market: the level of consumer demand for recreational marijuana products, the types of users and how much they might pay for the drug, and competition with the illegal market. States have learned lessons but continue to grapple with unknowns. Policymakers can hedge against the uncertainty and volatility of marijuana revenue by budgeting it cautiously. They can put the money toward savings, for example, or spend it after it is collected. If states are considering using the funds for ongoing spending priorities that require sustainable revenue streams, they should be careful about relying too heavily on marijuana taxes. Understanding the short- and long-term effects of budget balancing actions such as these can help officials make decisions that put their states on sound fiscal footing for years to come.

We believe that implementing our software will give district officials data about the cannabis industry that no other states have. This information will help state officials and regulators make more informed decisions and help in the forecasting process. Additionally, the exchange helps license dispensary and cultivators much better information around pricing. We believe the information that will be derived by the exchange will improve business practices for all the participants involved. We would appreciate the opportunity to display the software to council if possible.

Endnotes

ⁱ Josh Lehner (senior economist, Oregon Office of Economic Analysis), interview with The Pew Charitable Trusts, Sept. 25, 2018.

ⁱⁱ State of Nevada Department of Taxation, “June Marijuana Revenue Statistics,” news release, Aug. 28, 2018, <https://tax.nv.gov/uploadedFiles/taxnv.gov/Content/TaxLibrary/News-Release-June-Marijuana.pdf>; Legislative Analyst’s Office, “California Economy and Taxes: Cannabis Tax Revenue Update,” Nov. 15, 2018, <https://lao.ca.gov/LAOEconTax/Article/Detail/326>.

ⁱⁱⁱ Pew Charitable Trusts, “Forecasts Hazy for State Marijuana,” news release, Aug. 19, 2019, [Forecasts Hazy for State Marijuana Revenue | The Pew Charitable Trusts \(pewtrusts.org\)](https://www.pewtrusts.org/en/research-and-analysis/press-releases/2019/08/19/forecasts-hazy-for-state-marijuana)

^{iv} Lance Carey (senior economist, Washington State Economic and Revenue Forecast Council), interview with The Pew Charitable Trusts, Sept. 26, 2018.

^v Joe Rubino, “Colorado cracks a billion in annual marijuana sales in record time, generating \$200M in tax revenue,” The Denver Post, Oct. 18, 2018, <https://www.denverpost.com/2018/10/18/colorado-cracks-billion-marijuana-sales-record/>.

^{vi} Pew Charitable Trusts, “Forecasts Hazy for State Marijuana” news release, Aug. 19, 2019, [Forecasts Hazy for State Marijuana Revenue | The Pew Charitable Trusts \(pewtrusts.org\)](https://www.pewtrusts.org/en/research-and-analysis/press-releases/2019/08/19/forecasts-hazy-for-state-marijuana)

^{vii} Bureau of Cannabis Control, “California Cannabis Advisory Committee 2018 Annual Report,” https://www.bcc.ca.gov/about_us/documents/cac_annual_report_2018.pdf.

^{viii} Larson Silbaugh (principal economist, Colorado Legislative Council), interview with The Pew Charitable Trusts, Aug. 31, 2018.

^{ix} Irena Asmundson (chief economist, California Department of Finance), interview with The Pew Charitable Trusts, Aug. 29, 2018.

^x Larson Silbaugh (principal economist, Colorado Legislative Council), interview with The Pew Charitable Trusts, Aug. 31, 2018.

Office of Chairman Phil Mendelson

1350 Pennsylvania Avenue, NW

Washington, DC 2004

Re: Support for Amendments to Bill No. B-24-0118 Comprehensive Cannabis Legalization and Regulation Act of 2021

Dear Chairman Mendelson:

We are writing on behalf of the Dravet Syndrome Foundation, a patient advocacy organization representing the community living with the severe developmental epilepsy Dravet syndrome, in support of proposed amendments to the Comprehensive Cannabis Legalization and Regulation Act of 2021 (“CCLRA”) to improve patient access to cannabinoid-derived pharmaceutical products approved by the Food & Drug Administration. The amendments serve two different, but equally important objectives. As members of the patient advocate community, we urge you to support the amendments to enable patient access to critical cannabinoid-derived pharmaceutical products treating serious conditions like Dravet syndrome.

First, prescription drugs that are approved by the federal Food and Drug Administration (FDA) should be excluded from the definition of “cannabis” in D.C. Code §48.901.02(3) and scheduled by the Director of the Department of Health pursuant to the process established in D.C. Code §48.902.01(a), rather than automatically classified with consumer products available for sale without medical supervision. Amending Section 4(a) of the CCLRA, which proposes amendments to the definition of “cannabis”, will allow the distinction between prescription drugs and consumer products:

We support the amendment of Section 4(a) by adding the bolded underlined language below:

Section 102 (D.C. Official Code § 48-901.02) is amended as follows:

(1) Paragraph (3) is amended as follows:

- A. Subparagraph (A) is amended by striking the phrase “whether growing or not” and inserting the phrase “whether growing or not, and whether in edible form or not” in its place.

(B) Subparagraph (B) is amended by striking the phrase “form such resin” and inserting the phrase “from such resin, whether in edible form or not” in its place.

(C) A new subparagraph (C) is added to read as follows: “(C) Any prescription drug that is approved by the federal Food and Drug Administration shall be excluded from the definition of marijuana. Such drug product shall be designated, rescheduled, or deleted as a controlled substance pursuant to the procedures in § 48–902.01.”

Second, cannabinoid prescription drugs that are comprehensively regulated and controlled by the FDA should not be subject to the requirements for consumer products pursuant to the CCLRA, just as hemp-derived products have been exempted from it. The language of the CCLRA in proposed D.C. Code §25-2102(c) should be amended so that cannabinoid prescription drugs are treated like any other prescription drugs, rather than subjected to an additional layer of regulations that are intended to address consumer products.

We support the amendment of proposed §25-2102(c) by adding the bolded underlined language below.

“(c) This Act shall not be construed to regulate or include hemp plants and hemp 304 products as the Agriculture Improvement Act of 2018 legalized industrial hemp under Federal law [Public Law No.: 115-334] or prescription drugs containing cannabis that are approved by the Food and Drug Administration pursuant to the Federal Food, Drug, and Cosmetic Act [Public Law No.: 75-717].

Patients suffering from severe neurologic disease need access to safe and effective prescription medication in a timely manner; limitations to access to these medications for the Dravet syndrome community could result in life-threatening seizures. There is tremendous potential in cannabinoid therapies in the future. These simple amendments to the CCLRA will promote access to cannabinoid prescription drugs and ensure there are no unintended, harmful consequences to providing comprehensive regulation of cannabis consumer products.

Thank you,



December 14, 2021

Blaine Stum
Legislative Policy Advisor
Office of Chairman Phil Mendelson
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W. Suite 410
Washington, D.C. 20004

Dear Blaine,

In lieu of oral testimony, the DC Chamber of Commerce ("Chamber") is pleased to offer written comments pursuant to the November 19, 2021 hearing conducted by the Committee of the Whole ("COW"), the Committee on Business and Economic Development, and the Committee on the Judiciary and Public Safety on Bill 24-113, the "Medical Cannabis Amendment Act of 2021," and Bill 24-118, the "Comprehensive Cannabis Legalization and Regulation Act of 2021." The Chamber will limit its comments to Bill 24-118, which purports to establish a regulatory scheme to license and regulate the cultivation, production and retail sale of recreational cannabis in the District. Specifically, the Chamber focus will be on Section 8 in the proposed legislation, that discusses employer testing and the legal use of cannabis in employment. With that said, the Chamber is available to work with the COW as this legislation is further developed.

Section 8. Employment and legal cannabis use.

1. The Chamber recommends the creation of a "safety sensitive" employment status which will be defined as follows:

""Safety sensitive position" means a position, as designated by the employer, in which it is reasonably foreseeable that, if the employee performs the position's routine duties while under the influence of drugs or alcohol, the employee could suffer a lapse of attention or other temporary deficit that would likely cause actual, immediate, and serious bodily injury or loss of life to self or others; and may include positions that:

(A) Involve the provision of security services, such as police, special police, and security officers, or the custodianship, handling, or use of weapons, including firearms;

(B) Require regular or frequent operation of a motor vehicle;

(C) Require occupational safety training, including construction work;

(D) Require the supervision or care of children or individuals who are unable to care for themselves or who reside in an institutional or custodial environment; or

(E) Require administration of medications or the provision of medical treatment or life-saving measures.".

2. At line 1500, the Chamber recommends inserting the following text:

“(b) Nothing in subsection (a) shall:

(1) Apply to employees in safety sensitive positions.”.

3. At line 1510- “(c) An employer may consider an employee ~~to be impaired or~~ under the influence of...”

The Chamber recommends striking the words “to be impaired or” from the legislative text because a person’s “impairment” is subjective and not easily defined. If there is no way to prove “impairment,” the employer could not discipline an employee for being “impaired.” Conversely, employers can test an employee for being under the influence, or “use,” which is contemporaneous in time. The COW should consider that a person can technically be impaired having used cannabis, including ingesting, days before. The legislation should seek to prevent cannabis usage while performing employment duties, not prevent usage hours or days before.

4. At line 1523- “(1) Actions, including subjecting an employee or applicant to **reasonable** drug and alcohol testing...”

The Chamber supports the inclusion of reasonable drug testing within the legislation. The COW should consider defining what is “reasonable” in the context of employer testing.

5. At lines 1526-1527- “...employee used ~~or possessed~~ cannabis in the employer's workplace or while performing the employee's job duties...”

The Chamber recommends striking the words “or possessed.” Again, the legislation should prevent “use” of cannabis in the workplace, not possession. The legislation already provides that an employer’s Drug-free or employment policy can include prohibitions against possession, storage, transfer, sale, purchase, etc. An employer should have the flexibility in these determinations to adjust based on their operations, as they are responsible for providing a safe work environment.

It should also be noted that for employment purposes, possession of cannabis, by itself, does not prevent an employer from operating a safe and drug-free workplace.

6. At lines 1530-1531 “...employee was ~~impaired as a result of the use of cannabis, or~~ under the influence of cannabis, ~~while at the employer’s workplace or~~ while performing the employee’s job duties

The Chamber recommends striking the words “**was impaired as a result of the use of cannabis, or.**” Again, there is no way to prove “impairment.”

The Chamber also recommends striking the words “**while at the employer’s workplace or.**” The legislation should focus more on an employee under the influence while on duty as opposed to simply being in the workplace. The COW should consider that an employee, not on duty, might be under the influence while simply picking up his/her check at the employer’s workplace in violation of the above provision.

7. At line 1533, the Chamber recommends inserting the following language:

“(3) Prohibit an employer from adopting a reasonable drug-free workplace or employment policy that:

(A) Requires testing employees for cannabis or other drugs, including post-accident or reasonable-suspicion drug testing, or drug testing of employees in safety sensitive positions;

(B) Is necessary to comply with a District or federal law, including the Drug-Free Workplace Act of 1988, if applicable to the employer;

(C) Prohibits the use, consumption, possession, storage, delivery, transfer, display, transportation, sale, purchase, or growing of cannabis at the employee’s place of employment, while performing work for the employer, or during the employee’s hours of employment, unless otherwise permitted pursuant to section 211(b-1) of the HRA; or

(D) Prohibits employees from being impaired by cannabis during work hours; or

(4) Injury, loss, or liability to a third party if the employer neither new nor had reason to know that the employee was under the influence, nor should it be construed to eliminate any common law cause of action otherwise available under District of Columbia law; or “

8. At line 1538, the Chamber recommends inserting the following language:

“(f) Nothing in this title shall be construed to create a safe harbor for the employer or provide immunity for the employer from suit.”.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Brett Allen", with a stylized flourish at the end.

Brett Allen,
Director of Government Relations and Public Policy
DC Chamber of Commerce



COUNCIL OF THE DISTRICT OF COLUMBIA

THE JOHN A. WILSON BUILDING
1350 PENNSYLVANIA AVENUE, NW
WASHINGTON, D.C. 20004

KENYAN R. McDUFFIE
Councilmember, Ward 5
Chair Pro Tempore
Chair, Committee on Business and
Economic Development

Committee Member
Transportation and the Environment
Recreation, Libraries and Youth Affairs
Housing and Executive Administration

November 29, 2021

Fred Moosally, Director
Alcoholic Beverage Regulation Administration
2000 14th Street, NW, S400
Washington, DC 20009

Dear Director Moosally:

Thank you for testifying before the Committee of the Whole, Committee on Business and Economic Development, and Committee on Judiciary and Public Safety on Friday, November 19, 2021 regarding Bill 24-113, the “Medical Cannabis Amendment Act of 2021” and Bill 24-118, the “Comprehensive Cannabis Legalization and Regulation Act of 2021”. Below are additional questions I would like to ask to complete the record for Bill 24-113. **Please provide your response to the following questions by 5:00 p.m. Wednesday, December 8, 2021.**

1. The proposed legislation increases the cap for medical dispensaries from 8 to 16. Please explain how the agency arrived at the number 16, which would double the number of dispensaries in the District.
 - a. Considering that the District, unlike many other jurisdictions, is completely urban and the cost of real estate is exponentially higher than our neighboring jurisdictions, how likely is it that a successful applicant would actually establish a medical dispensary following receipt of a license?
 - b. Stakeholders have expressed concern that the cultivation and dispensary licenses may be too concentrated in a particular Ward of the city. For instance, some believe zoning in a particular Ward may be more attractive to prospective businesses or that the cost of real estate in a particular Ward may be far more affordable than other Wards. Does your agency have plans to ensure facilities with these licenses will be evenly located across all eight Wards of the city?
 - c. Is there a need for a survey or study to be conducted first to determine the number of additional dispensary licenses that should be made available to the public? How

do other jurisdictions determine the number of licenses that should be made available to the public?

2. The increase in dispensary licenses may inadvertently result in higher demand for cultivation centers to produce more cannabis plants. By your assessment, do you believe that the cultivation centers we currently have will fully meet the demand created by the additional dispensaries?
3. There are currently 8 cultivation centers in the District. ABRA intends to make two more cultivation licenses available to the public in the coming months. How did ABRA determine the number of cultivation centers to license within the District?
4. D.C. Official Code § 7-1671.06 creates a social equity framework for prospective applicants seeking a medical cannabis cultivation center, dispensary, and testing lab license in the District. This bill however adds new categories of applicants who may already be considered social equity applicants under the current law and who may also qualify for the additional preference points. Please discuss in detail why these new categories of applicants were created.
 - a. Furthermore, will these new categories be required to comply with the medical cannabis certified business enterprise requirement stated in paragraph 5(B)? If not, please discuss in detail why not.
5. In terms of identifying a better approach that would truly place social equity applicants on an even playing field that would enable them to compete for licenses on the supply side, please discuss some pros and cons in using the scoring system versus a set-aside.
6. Earlier this year, the Committee removed the blanket prohibition on persons with felony convictions from working in a medical cannabis establishment or owning a medical cannabis cultivation center, dispensary, or testing lab license. The Committee worked very closely with ABRA to get this accomplished. However, there are still restrictions on some felony convictions on who may not be allowed to own or work in a medical cannabis establishment. The bill restricts “felony conviction for a crime of violence, a gun offense, or for tax evasion, fraud or credit card fraud [committed] within the 3 years preceding the date the application is filed with ABRA...”
 - a. If a convicted felon has served his or her time for any of these crimes, and it is clear that he or she is a law-abiding citizen of the District, do you have any reservations or concerns in removing these limitations? If you do, please share them.
7. The proposed legislation prohibits a holder of a dispensary delivery endorsement from delivering cannabis products to qualifying patients on District government property. Can you please explain why there is a restriction on District government property?

8. The proposed legislation also prohibits a holder of a dispensary delivery endorsement from delivering cannabis products more than once per day to a particular patient or patient's caregiver. Please provide a rationale on why this restriction exists.
9. In line with social equity, more Black and Brown entrepreneurs may enter the cannabis industry through owning a delivery endorsement or license. Rather than restricting delivery endorsements to only dispensaries, has the agency considered opportunities in which independent delivery businesses may obtain licenses and begin to deliver cannabis products to patients? The Committee estimates that the primary role of the business would be to deliver cannabis and not to facilitate the sale of cannabis or undertake any other transaction.
10. The proposed legislation states that the Board may issue a fine against a dispensary or suspend or revoke its registration if the delivery driver fails to confirm the identity and age of the qualifying patient by checking their government issued ID. How does the agency plan to enforce this?

Please note that your response would be made available to the public. If there are answers or documents that should be redacted, please provide my staff with an unredacted copy for the Committee and a redacted copy for public review. Please contact Ogochukwu Chike, Legislative Director, at ochike@dccouncil.us or (202) 674-3352, with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K.R. McDuffie'.

Kenyan R. McDuffie

cc: Chairman Phil Mendelson
Councilmember Charles Allen



December 8, 2021

The Honorable Councilmember Kenyan McDuffie
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 506
Washington, D.C. 20004

RE: Medical Cannabis Bill Follow-Up Questions

Dear Chairperson McDuffie:

This letter is in response to your November 29, 2021 written request for additional information related to Bill 24-113, the "Medical Cannabis Amendment Act of 2021" (Medical Cannabis bill). ABRA's responses to the ten questions received from the Committee are set forth below.

1. The proposed legislation increases the cap for medical dispensaries from 8 to 16. Please explain how the agency arrived at the number 16, which would double the number of dispensaries in the District.

Response: The proposed cap number is based upon D.C. Code § 7-1671.06(d)(2) that limits the number of permitted dispensaries within an election ward to two. The Medical Cannabis bill is not proposing to change the two dispensaries per election ward limit set forth in D.C. Code § 7-1671.06(d)(2). Of note, there are currently two medical cannabis dispensaries operating in Ward 2. Ward 3 and Ward 5 do not currently have a medical cannabis dispensary.

- a. Considering that the District, unlike many other jurisdictions, is completely urban and the cost of real estate is exponentially higher than our neighboring jurisdictions, how likely is it that a successful applicant would actually establish a medical dispensary following receipt of a license?

Response: It is more likely that a medical cannabis dispensary will open than other types of medical cannabis businesses as their costs are less prohibitive than a cultivation center or testing laboratory. For social equity applicants, access to additional funding will be important. Our agency supports the Council's continued funding of the Department of Small and Local Business Development (DSLBD) Innovation and Equitable Development division's "Just Cannabusiness" program. The "Just Cannabusiness" program was established to create a more equitable cannabis industry in the District by providing financial and technical assistance to social equity applicants.



- b. Stakeholders have expressed concern that the cultivation and dispensary licenses may be too concentrated in a particular Ward of the city? For instance, some believe zoning in a particular Ward may be more attractive to prospective businesses or that the cost of real estate in a particular Ward may be far more affordable than other Wards. Does your agency have plans to ensure facilities with these licenses will be evenly located across all eight Wards of the City?

Response: Yes. Our agency intends to follow D.C. Code § 7-1671.06(d)(2) that limits the number of permitted dispensaries within an election ward to two. Additionally, our agency is currently only seeking medical cannabis dispensary applications for Wards (Ward 3 and Ward 5) that do not currently have a licensed medical cannabis dispensary. Our agency is also no longer accepting cultivation center applications for Ward 5 as the statutory cap of six set forth in D.C. Code § 7-1671.06(d)(3)(A) has been reached. This will result in cultivation centers opening outside of Ward 5 where no other Ward currently has more than one operating cultivation center. It is worth noting, however, that the District's existing zoning laws may prohibit an equitable distribution of cultivation centers to all eight wards.

- c. Is there a need for a survey or study to be conducted first to determine the number of additional dispensary licenses that should be made available to the public? How do other jurisdictions determine the number of licenses that should be made available to the public?

Response: A survey or study is not needed at this time as our agency is only seeking to issue a medical cannabis dispensary license for the two wards (Ward 3 and Ward 5) that do not currently have a single dispensary. The request for eight additional dispensaries is intended to provide our agency with the flexibility to prepare for and address medical cannabis patient needs should adult cannabis sales become legal in the future.

Jurisdictions vary regarding how they determine the number of dispensary licenses that should be made available to the public. For example, Ohio examines the number of registered patients located in a specific district. Of note, legislation introduced in Ohio in November 2021 seeks to achieve a ratio of at least one medical cannabis dispensary per 1,000 registered patients up to the first 300,000 registered patients and then adding additional dispensaries on an as-needed basis. Other jurisdictions, such as West Virginia, which has a cap of 100 medical cannabis dispensaries and permits vertical integration, are much less restrictive regarding the number of medical cannabis dispensaries that can be approved for a specific district or region.

2. The increase in dispensary licenses may inadvertently result in higher demand for cultivation centers to produce more cannabis plants. By your assessment, do you believe that the cultivation centers we currently have will fully meet the demand created by the additional dispensaries.



Response: Our agency does not intend to make any of the additional proposed eight dispensary licenses available for application until additional cultivation centers start operating in the District. Additional operating cultivation centers in the District will be necessary to support the additional proposed eight dispensaries.

3. There are currently 8 cultivation centers in the District. ABRA intends to make two more cultivation licenses available to the public in the coming months. How did ABRA determine the number of cultivation centers to license within the District.

Response: Our agency decided to make two additional cultivation center licenses available in response to multiple comments from dispensaries regarding the ability of the District's existing cultivation centers to fulfill their medical cannabis order requests and satisfy patient demand. The agency determined that the addition of two additional cultivation centers would help to satisfy patient demand at the eight statutorily permitted dispensaries, while also avoiding any potential diversion issues, as a result of excess medical cannabis, faced by other jurisdictions, including Maine.

4. D.C. Official Code § 7-1671.06 creates a social equity framework for prospective applicants seeking a medical cannabis cultivation center, dispensary, and testing lab license in the District. This bill however adds new categories of applicants who may already be considered social equity applicants under the current law and who may also qualify for the additional preference points. Please discuss in detail why these new categories of applicants were created.

Response: To further social equity in the District, the Medical Cannabis bill would award 50 preference points or 20% of the available points, whichever is more, to a returning citizen or a District resident who has been arrested or convicted of a cannabis offense. The intent of this new category is to award preference points to returning citizens or District residents who have had their lives directly impacted by a prior cannabis conviction or arrest. This concept is in line with other jurisdictions who have taken into account prior cannabis convictions and arrests in awarding cannabis licenses. The Bill also awards 10 preference points or 4% of the available points, whichever is more, to veteran-owned business enterprises certified by DSLBD. The intent of this provision is to also recognize the importance of veteran-owned certified business enterprises to the District.

- a. Furthermore, will these new categories be required to comply with the medical cannabis certified business enterprise requirement stated in paragraph 5(B)? If not, please discuss in detail why not.

Response: A veteran-owned certified business enterprise would also need to qualify as a medical cannabis certified business enterprise to be eligible to receive 50 preference points or 20% of the



available points, whichever is more. Otherwise, the veteran-owned certified business enterprise would only be entitled to receive 10 preference points or 4% of the available points, whichever is more. A returning citizen or a District resident who has been arrested or convicted for a cannabis offense would not be required to qualify as a medical cannabis certified business enterprise in order to receive the 50 preference points or 20% of the available points, whichever is more. Similar to other jurisdictions, the policy reason for this change is to take into account returning citizens and District residents prior cannabis convictions and arrests when awarding new cannabis licenses.

5. In terms of identifying a better approach that would truly place social equity applicants on an even playing field that would enable them to compete for licenses on the supply side, please discuss some pros and cons in using the scoring system versus a set-aside.

Response: With regard to social equity, the advantage of utilizing a scoring system is to ensure that the social equity applicant who receives the 50 preference points is able to satisfy the threshold requirements for operating a medical cannabis business. For a social equity applicant seeking to operate a cultivation center, this would include the applicant meeting various threshold requirements including those related to security, cultivating medical cannabis and implementing a product safety and labeling plan. The disadvantage of utilizing a scoring system as it relates to social equity is the possibility that a license is awarded to a non-social equity applicant who receives a higher score despite the social equity applicant receiving 50 preference points. The advantage of a set-aside system is it helps to ensure that medical cannabis licenses are awarded to social equity applicants. The disadvantage of a set aside system is that without making funding available to social equity applicants it may be difficult for social equity applicants to satisfy the threshold regulatory requirements necessary to open and result in more instances of straw ownership for ABRA to investigate and address.

6. Earlier this year, the Committee removed the blanket prohibition on persons with felony convictions from working in a medical cannabis establishment or owning a medical cannabis cultivation center, dispensary, or testing lab license. The Committee worked very closely with ABRA to get this accomplished. However, there are still restrictions on some felony convictions on who may not be allowed to own or work in a medical cannabis establishment. The bill restricts “felony conviction for a crime of violence, a gun offense, or for tax evasion, fraud or credit card fraud [committed] within the 3 years preceding the date the application is filed with ABRA”
 - a. If a convicted felon has served his or her time for any of these crimes, and it is clear that her or she is a law-abiding citizen of the District, do you have any reservations or concerns in removing these limitations? If you do, please share them.



Response: Our agency's position is that all returning citizens with a previous felony conviction should be permitted to work at a medical cannabis business regardless of the offense. With regard to ownership, ABRA appreciates the Committee working with our agency to allow ownership by individuals that were negatively impacted by the war on drugs and significantly reduce the types of felonies occurring within the previous three years that would prevent ownership. The limited number of remaining felonies that would prevent ownership for a three year period are intended to address such issues as: (1) ensuring patient credit card transactions are not being handled by an owner recently convicted of credit card fraud, (2) ensuring owners are paying their District and federal taxes and have not been recently convicted for felony tax evasion and (3) keeping unregistered guns out of medical cannabis businesses. Our agency believes that significantly reducing the types of felonies that prevent ownership will allow more returning citizens to own cannabis businesses.

7. The proposed legislation prohibits a holder of a dispensary delivery endorsement from delivering cannabis products to qualifying patients on District government property. Can you please explain why there is a restriction on District government property?

Response: The restriction on District government property is intended to cover recreation buildings operated by the District of Columbia Department of Parks and Recreation. If the Council would like to have medical cannabis delivered to District government buildings, our agency recommends that similar to schools, delivery to buildings operated by the District of Columbia Department of Parks and Recreation not be permitted.

8. The proposed legislation also prohibits a holder of a dispensary delivery endorsement from delivering cannabis products more than once per day to a particular patient or patient's caregiver. Please provide a rationale on why this restriction exists.

Response: In light of recent Council action to increase the number of ounces a qualifying patient can purchase in a 30-day period from four (4) to eight (8), ABRA has no objection to removing this restriction from the Bill.

9. In line with social equity, more Black and Brown entrepreneurs may enter the cannabis industry through owning a delivery endorsement or license. Rather than restricting delivery endorsements to only dispensaries, has the agency considered opportunities in which independent delivery businesses may obtain licenses and begin to deliver cannabis products to patients? The Committee estimates that the primary role of the business would be to deliver cannabis and not to facilitate the sale of cannabis or undertake any other transaction.

Response: Yes. As noted in our November 19, 2021 Council testimony our agency supports the creation of a third-party delivery license for social equity applicants. Similar to Massachusetts, a



third-party delivery license provides a great opportunity for social equity applicants to enter the cannabis market. Our agency supports limiting a newly created third-party delivery license to social equity applicants for the first two years.

10. The proposed legislation states that the Board may issue a fine against a dispensary or suspend or revoke its registration if the delivery driver fails to confirm the identity and age of the qualifying patient by checking their government issued ID. How does the agency plan to enforce this?

Response: Dispensaries are required to submit to ABRA on a weekly basis a “Cannabis Sales Delivery Manifest” (Manifest) for each qualifying patient that receives a medical cannabis delivery. The Manifest contains in relevant part (1) the recipient’s name, (2) the qualifying patient’s card number and (3) the signature of the person receiving the delivery. The dispensary’s Manifest submission to ABRA also includes a copy of the qualifying patient’s government issued ID. ABRA currently reviews these Manifest submissions to verify that dispensaries and their delivery drivers are obtaining and checking the information and documentation listed above for the qualifying patient.

I hope that the additional information above is helpful. If the Committee has any additional questions regarding the Medical Cannabis bill, please do not hesitate to let me know.

Sincerely,

Fred P. Moosally
Director
Alcoholic Beverage Regulation Administration